

Board of Directors-----	1
Notice -----	3
Director's Report-----	11
Annexures to The Directors Report-----	14
Report on Corporate Governance-----	17
Auditor's Report on Corporate Governance-----	24
Management Discussion & Analysis Report -----	25
Financial Performance with respect to Operational Performance -----	27
Auditor's Report -----	29
Annexure to The Auditor's Report -----	30
Annexure to The Notes on Accounts -----	50
Cash Flow Statement-----	52
Balance Sheet Abstract-----	54
Attendance Slip/ Proxy Form -----	55

Annual Report 2009-2010

BOARD OF DIRECTORS**MR. S. R. MEHTA**

CHAIRMAN

MR. N. R. MUNJAL

VICE CHAIRMAN

DR. G. MUNJAL

MANAGING DIRECTOR & CEO

DR. V. R. MEHTA

JOINT MANAGING DIRECTOR

MR. HIMANSHU JAIN

DIRECTOR

MR. RISHAV MEHTA

DIRECTOR

MRS. NIRMAL AGGARWAL

DIRECTOR

MR. K. M. S. NAMBIAR

DIRECTOR

DR. N. D. AGGARWAL

DIRECTOR

DR. R. S. BEDI

DIRECTOR

DR. H. P. S. CHAWLA

DIRECTOR

DR. S. K. MATHUR

DIRECTOR

VICE PRESIDENT (FINANCE)

MR. AMIT TARAFDER

COMPANY SECRETARY

MR. R.K. SOOD

AUDITORS

J. K. JAIN & ASSOCIATES
 CHARTERED ACCOUNTANTS
 S.C.O. 1132-33, SECTOR 22-B
 CHANDIGARH 160 022

LEGAL ADVISORS

P. K. GOKLANEY & COMPANY
 ADVOCATES
 38, SECTOR 16-A, CHANDIGARH

BANKERS

PUNJAB NATIONAL BANK
 SECTOR 28, CHANDIGARH.

STATE BANK OF INDIA

INDUSTRIAL ESTATE BRANCH
 INDUSTRIAL AREA-I, CHANDIGARH.
 CANARA BANK
 SCO 311-314, SECTOR 35-B, CHANDIGARH.

STATE BANK OF PATIALA

(COMMERCIAL BRANCH)
 SCO 103-107, SECTOR 8-C, CHANDIGARH.

REGISTRAR AND SHARE TRANSFER AGENTS

M/S ALANKIT ASSIGNMENTS LTD.
 2E/21, JHANDEWALAN EXTENSION,
 NEW DELHI 110 055

WORKS

123, INDUSTRIAL AREA 1,
 PANCHKULA 134 109
 (HARYANA).
 PLOT. NO. 23, SECTOR 2, (UNIT I), PARWANOO
 (H.P.)
 PLOT NO. 17 B, SECTOR 2, (UNIT II)
 PARWANOO (H.P.)
 VILLAGE MALKU MAJRA, (UNIT III & IV) BADDI,
 (H. P.)
 VILLAGE JAWAHARPUR, TEH. DERA BASSI (PUN-
 JAB).
 INDUSTRIAL GROWTH CENTRE, SAMBHA, JAM-
 MU (J&K)

NOTICE

NOTICE is hereby given that the 24th Annual General Meeting of the Members of Ind-Swift Limited will be held on Thursday, the 30th September 2010 at 10.00 A.M. at PHD House, Sector 31, Chandigarh to transact the following business:

ORDINARY BUSINESS

1. To receive, consider, approve and adopt the Profit and Loss Account for the year ended 31st March, 2010, the Balance sheet as on that date and to receive, consider and adopt the Directors' and Auditors' Reports thereupon.
2. To declare dividend on equity shares for the year ending 31st March, 2010.
3. To appoint Director in place of Dr. H.P.S.Chawla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Director in place of Dr. N.D.Aggarwal, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Director in place of Sh. Himanshu Jain, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Statutory Auditors

SPECIAL BUSINESS

7. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:

“RESOLVED THAT Sh. Rishav Mehta who was appointed as an Additional Director by the Board of Directors on 23rd March, 2010, in accordance with the Articles of Association of the Company and who holds office as a Director under Section 260 of the Companies Act, 1956, up to this Annual General meeting and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, from member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

8. **To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

“RESOLVED THAT the Authorized Share Capital of the company be increased from Rs. 15,00,00,000/- (Rupees Fifteen crore) divided into 7,50,00,000 (Seven Crore fifty Lakhs) Equity shares of Rs.2/- each to Rs. 40,00,00,000/- (Rupees Forty crore) divided into 7,50,00,000 (Seven Crore fifty Lakhs) Equity shares of Rs.2/- each and 25,00,000 (Twenty five lac) Cumulative Redeemable Preference Shares of Rs.100 (Rupees hundred) each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 16 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force), the existing Clause V of the Memorandum of Association relating to the share capital of the company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Clause V:

Clause V. The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty crore) divided into 7,50,00,000 (Seven Crore fifty Lakhs) Equity shares of Rs.2/- each and 25,00,000 (Twenty five lac) Cumulative Redeemable Preference Shares of Rs.100 (Rupees hundred) each.

FURTHER RESOLVED THAT in accordance with the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications and re-enactments thereof for the time being in force), the existing Article 5 of the Articles of Association relating to the share capital of the company be and is hereby altered by deleting the same and instead thereof, substituting the following as new Article 3:

Article 5. The Authorized Share Capital of the Company is Rs. 40,00,00,000/- (Rupees Forty crore) divided into 7,50,00,000 (Seven Crore fifty Lakhs) Equity shares of Rs.2/-

each and 25,00,000 (Twenty five lac) Cumulative Redeemable Preference Shares of Rs.100(Rupees hundred) each “.

9. **To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

“RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) and the enabling provisions of the Memorandum and Articles of Association of the Company and subject to the regulations/ rules/guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as “SEBI”), Stock Exchanges, if any and subject to such conditions and modification(s) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee(s) consisting of one or more members of the Board and/or one or more officials of the Company appointed by the Board in this behalf which the Board may constitute to exercise power of the Board), the consent of the company be and is hereby accorded to, offer, issue and allot up to 25,00,000 1% cumulative redeemable preference shares (hereinafter referred to as “Preference Shares”) at Rs. 100/- per share or such price as may be determined by the Board of Directors of the company or any committee formed by the Board for this purpose, being not less than the par value in one or more tranches on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other persons who at the date of offer are holders of the equity shares; to such persons, group of persons or body corporate.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of director(s) or any other officer or officers of the company and to do all such acts, matters, things and

deeds and to take all such steps and do all such things and give all such directions as the Board may consider necessary, expedient or desirable and also to settle any questions or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard.”

10. **To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:**

RESOLVED THAT pursuant to Section 81(1A) and other applicable provisions of the Companies Act, 1956, (including any amendment thereto or re-enactment thereof) and the enabling provisions of the memorandum and Articles of Association of the Company and subject to the regulations/ rules/ guidelines issued by the Securities and Exchange Board of India (hereinafter referred to as “SEBI”), Stock Exchanges, Foreign Investment Promotion Board (hereinafter referred to as “FIPB”), Secretariat for Industrial Assistance (hereinafter referred to as “SIA”), Government of India, Reserve Bank of India (hereinafter referred to as “RBI”), Foreign Exchange Management Act, 1999 (hereinafter referred to as “FEMA”) and subject to such conditions and modification as may be prescribed or imposed by any of them while granting any such consents, permissions, approvals and/or sanctions (hereinafter singly or collectively referred to as “the requisite approvals”) and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committee(s) consisting of one or more members of the Board and/or one or more officials of the Company appointed by the Board in this behalf which the Board may constitute to exercise power of the Board), the consent of the company be and is hereby accorded to, offer, issue and allot up to 80,00,000 Zero

Coupon Convertible Warrants at such price being not less than the price determined in accordance with the pricing formula given in the SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 (ICDR) for preferential issues based on relevant date i.e. 30.08.2010 on preferential basis in one or more tranches on such terms and conditions and in such manner as the Board may think fit, without offering the same to any other persons who at the date of offer are holders of the equity shares each Warrant entitling the holder thereof to apply and be allotted one fully paid up equity share of Rs.2/- each, at any time not exceeding eighteen months from the date of allotment of the Warrants in accordance with the SEBI (ICDR) regulations and other relevant authorities as may be applicable such that the total number of equity shares to be issued by the Company upon conversion of the Warrants do not exceed 80,00,000 equity shares of Rs.2/- each on such terms and conditions as may be decided and deemed appropriate by the Board of Directors of the Company (hereinafter referred to as the "Board" which shall be deemed to include any duly authorized committee thereof) at the time of issue of allotment to the following Promoter Group Company and other Bodies Corporate:

S. No.	Name of proposed Allottee	Number of warrants
1	Vintage Lifesciences Pvt. Ltd.	20,00,000
2	Justin Pharmaceuticals Pvt. Ltd.	20,00,000
2	AKJ Portfolios (P) Limited	6,75,000
3	NRM Portfolios (P) Limited	6,75,000
4	GM Portfolios (P) Limited	6,75,000
5	VRM Portfolios (P) Limited	6,75,000
6	VKM Portfolios (P) Limited	6,50,000
7	SRM Portfolios (P) Limited	6,50,000
	Total	80,00,000

FURTHER RESOLVED THAT the issue of warrants, if any, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be convertible (at the

sole option of the Warrant holders) at any time within a period of 18 months from the date of allotment of Warrants;

2. Each Warrant shall be convertible into one equity share of Rs.2/- each, of the Company'
3. The Warrant holder(s) shall, on the date of allotment, pay an amount equivalent to 25 % of the price fixed per warrant.
4. The warrant holder(s) shall, on the date of conversion, pay the balance 75% of the consideration towards the subscription to each equity share;
5. The amount referred to in (3) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of warrants.
6. The number of Warrants and the price per Warrant shall be appropriately Adjusted, subject to the Companies Act, 1956 and SEBI regulations/guidelines, for corporate actions such as bonus issue, rights issue, stock split, merger, de-merger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.

FURTHER RESOLVED THAT the Board be and is hereby authorized to issue and allot such number of Equity shares as may be required to be issued and allotted upon conversion of the warrants and that the said equity shares shall be subject to the Memorandum and Articles of Association of the company and shall rank pari passu with the existing Equity shares of the Company.

FURTHER RESOLVED THAT Board/ Committee be and is hereby authorized to accept the terms, conditions and stipulations made by the regulatory authorities while granting approval to the Company for the issue of Securities as aforesaid.

FURTHER RESOLVED THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this resolution to any director or directors or to any committee of director(s) or any other officer or officers of the company and to do all such acts, matters, things and deeds and to take all such steps and do all

such things and give all such directions as the Board may consider necessary, expedient or desirable and also to settle any questions or difficulties or doubts that may arise in regard to the offer/issue, allotment and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as the Board, in its absolute discretion may deem fit and take all such steps which are incidental and ancillary in this regard.”

NOTES

1. The relevant Explanatory Statement pursuant to section 173 of The Companies Act, 1956 is given hereto and forms part of the notice.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxy to be effective, should be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
3. The Register of members and the Share Transfer Books of the Company will remain closed from 28.09.2010 to 30.09.2010 (both days inclusive) pursuant to provisions of section 154 of the Companies Act, 1956 and clauses of listing agreement entered into with Stock exchanges.
4. Members holding shares in physical form are requested to notify/send any change in their address/mandate/ bank details and particulars of their account in case the same have not been sent earlier to the Company's Registrar and Transfer Agent to facilitate better services. Such members, if desired of making a nomination in respect of their share holding in the company, as permitted under Section 109A of the Companies Act, 1956 are requested to submit details to the Registrar & Transfer Agents of the company, in the prescribed Form 2B for this purpose.
5. Members holding shares in electronic form are advised that address/bank details as furnished to the company by the respective De-

positories viz CDSL & NSDL, will be printed on dividend warrant. Members are requested to inform the concerned Depository Participant of any change in address, dividend mandate etc.

6. Members desirous of having any information as regards accounts are requested to write to the Company at least ten days in advance so as to enable the Management to keep the information ready.
7. Members are requested to bring their copies of the Report to the meeting, as no further copies would be made available.

By Order of the Board

Place : Chandigarh **(R.K. Sood)**
Date : 06.09.2010 **COMPANY SECRETARY**

Explanatory Statement Pursuant to Section 173(2) of Companies Act, 1956.

Item No. 7

Mr. Rishav Mehta was appointed as Additional Director of the company with effect from 23rd March, 2010 and pursuant to Section 260 of the Companies Act, 1956, vacates his office at this Annual General Meeting. Mr. Rishav Mehta has filed his consent to act as director of the Company. Moreover, the Company has received notice pursuant to Section 257 of the Companies Act, 1956 signifying the intention to propose the above Director's appointment in the forthcoming Annual General Meeting. Mr. Rishav Mehta is whole time Director in Ind-Swift Laboratories Limited. The Board considers that the Company would be benefited by the rich experience and guidance. The Directors, therefore, recommends, the respective resolution for the approval of the members.

Except Mr. S.R.Mehta and Dr. V.R.Mehta, None of the directors, are concerned or interested in the proposed resolution.

For Item No. 8

To meet the further capital requirements and to augment long term working capital resources of the company, The Directors of your company

propose to increase the authorized share capital by creation of 25,00,000 (Twenty five lacs) cumulative redeemable preference shares of Rs.100/- (Rupees one hundred) each.

The authorized share capital of the Company presently stands at Rs. 15,00,00,000 divided into 7,50,00,000 equity shares of Rs.2/- each. With the growing expansion of the Company's business, it is desirable to bring the authorized capital of the Company in proper co-relation with the magnitude of the Company's resources and size of its undertaking. It is, therefore, considered advisable to increase the authorized capital of the Company from Rs.15,00,00,000 to Rs.40,00,00,000 by creation of 25,00,000 (Twenty five lac) cumulative redeemable preference shares of Rs.100/- (Rupees one hundred) each. The proposed increase of the authorized capital of the Company requires the approval of the members in general meeting. Consequent upon the increase in authorized capital of the Company, its memorandum and articles of association will require alteration so as to reflect the increase in share capital. The Board recommends that the resolution be passed.

Consequent upon increase in the authorized share capital of the company, it is necessary to alter the capital clause of the articles of association. The special resolution seeks to make a corresponding amendment in article 3 of the article of association of the company to give effect to the above.

None of the Directors are either concerned or interested in this item.

For Item No. 9

To meet the fund requirements in the past, the company had raised funds from persons / body corporate at different points of time and now the company intends to issue cumulative redeemable preference shares to these persons / body corporate against the funds raised through them. As such, it is proposed to allot a up to 25,00,000 number of cumulative preference shares. Members may accord their approval to the proposed allotment.

None of the director is either interested or concerned in this resolution.

For Item No. 10

To meet the funds requirements of the company

for further expansions and augment long term working capital, the Company has planned to raise funds through this preferential allotment by issuing 80,00,000 Zero Coupon convertible warrants at a price to be determined in accordance with SEBI (ICDR) regulations on preferential issues. In case the securities that may be issued are in the form of equity shares and/or result in issue and allotment of equity shares on conversion of securities, the aggregate increase in the equity capital of your company shall be to the tune of around Rs. 160 Lacs (i.e. 80,00,000 equity shares of Rs. 2 each).

In terms of Section 81/81(1A) of the Companies Act, 1956, approval of the shareholders of the company is being sought to issue and allot further shares in the share capital of the company to the proposed investors, whether or not the allottees are existing share holders, by way of a Special Resolution.

We give below the disclosures which are required to be given in the explanatory statement to the notice of the General Meeting in terms of SEBI (ICDR) regulations for Preferential Issues as amended from time to time as are in force on the date of this notice:

a) Objects of the issue:

The objects of the proposed issue of Equity Shares/ Warrants, on private placement basis have already been discussed above.

b) Intention of the promoters, directors, their associates and relatives and key management personnel to subscribe to the offer:

Other than Proposed allottees, no other promoters, directors their associates and relatives and key management personnel intend to subscribe to the said offer.

The offer is not exclusively meant for Promoters, Directors and their Group companies. Out of the total issue the shares / warrants are proposed to be allotted in following manner:-

(I) Up to 40,00,000 lacs zero coupon convertible warrants, to the Promoters/ Directors of the company.

(II) Up to 40,00,000 lacs zero coupon convertible warrants, to other bodies corporate.

The proposed issues of securities would not

result in any change in the control or management of affairs of your company or in The Board of Directors of the Company. However, there will be consequential changes in the voting rights/ share holdings of the company after the conversion of warrants into equity shares as detailed below.

c) Share holding pattern before and after the offer:

Sr. No.	Category	Pre-issue		Post Issue	
		No. of Shares	%age of shares held	No. of Shares	% age of Shares held
A	Share holding of promoter & promoter's group				
	AKJ Portfolio Pvt. Ltd.	nil	--	6,75,000	1.43
	NRM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
	GM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
	VRM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
	VKM Portfolio Pvt. Ltd	nil	--	6,50,000	1.38
	vii) SRM Portfolio Pvt. Ltd	nil	--	6,50,000	1.38
	Persons acting in concert	16344306	41.77	16344306	34.69
	Total Promoter holding	16344306	41.77	20344306	43.17
B	Non Promoter holding				
	a)Banks, Financial Institutions (Center/ State Govt. Inst./Non Govt Institutions)	1710109	4.37	1710109	3.63
	b) Vintage Lifesciences Pvt. Ltd.	Nil	Nil	2000000	4.24
	c) Justin Pharmaceuticals Pvt. Ltd.	Nil	Nil	2000000	4.24
	d) Other Corporate Bodies	7491136	19.14	7491136	15.89
	e) Indian Public	13336521	34.07	13336521	28.29
	f) NRI's / OCBs	252298	0.65	252298	0.54
	Non- Promoter holding	22790064	58.23	26790064	56.83
	GRAND TOTAL(A+B)	39134370	100.00	47134370	100.00

d) Proposed time within which the allotment shall be complete:

The Board proposes to allot the Zero Coupon Warrants Optionally Convertible warrants into equity shares within a period of 15 days from the date of this Annual General Meeting.

As per SEBI guidelines, the warrant holders have the option to subscribe for one equity share of Rs.2/- each per warrant at such price being not less than the price determined in accordance with the pricing formula given in the SEBI (ICDR), regulations 2009 for preferential issues to be decided by the Board of Directors at any time within 18 months from the date of allotment of the warrants.

e) The identity of the proposed allottee and the percentage of post preferential issued capital that may be held by them:

AKJ Portfolio Pvt. Ltd., NRM Portfolio Pvt. Ltd, GM Portfolio Pvt. Ltd, VRM Portfolio Pvt. Ltd, VKM Portfolio Pvt. Ltd & SRM Portfolio Pvt. Ltd. are bodies corporate belonging to Promoters Group, whereas Vintage Lifesciences Pvt. Ltd. and Justin Pharmaceuticals Pvt. Ltd. belong to other bodies corporate.

Details of their pre and post acquisition share holding would be as under:

Name of proposed allottee	Before allotment/ conversion of shares/war- rants (No. of shares)	%age of Capital	After con- version of warrants into shares	%age to the ex- panded capital
Vintage Lifesciences Pvt. Ltd.	nil	--	20,00,000	4.24
Justin Pharmaceuticals Pvt. Ltd.	nil	--	20,00,000	4.24
AKJ Portfolio Pvt. Ltd.	nil	--	6,75,000	1.43
NRM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
GM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
VRM Portfolio Pvt. Ltd	nil	--	6,75,000	1.43
VKM Portfolio Pvt. Ltd	nil	--	6,50,000	1.38
SRM Portfolio Pvt. Ltd	nil	--	6,50,000	1.38

f) Pricing of the issue

The warrants will be priced at a price which shall be over and above the minimum pricing calculated on the basis of relevant date as on 30th August, 2010, which is the date 30 days prior to the date on which the Annual General Meeting is to be held, in terms of Section 81 (1A) of the Companies Act, 1956 to consider the proposed issue and is determined in accordance with SEBI (ICDR) regulations 2009.

g) Conversion period

The warrant holders shall have the option of subscribing for one equity share of Rs.2/- each per warrant at a price to be decided by the Board, being the price determined in accordance with SEBI (ICDR) regulations 2009.

h) Terms of payment.

At least 25% of the total consideration shall be paid at the time of their allotment and the balance at or before the time of conversion. The said amount of 25% shall be forfeited if the option to acquire the shares is not exercised, as required by SEBI (ICDR) regulations 2009.

j) Consequential changes, if any, in Board of Directors

There will not be any consequential changes in the Board of Directors of the company as a result of the proposed issue.

k) Consequential Changes in the Share holding Pattern after Private Issue.

Same as (c) above.

l) Consequential Changes in the voting Rights

Same as (c) above.

m) Consequential Changes in the control over the company

There will not be any consequential changes in the control over the company as a result of the proposed private placement / preferential issue.

As required by the SEBI (ICDR) regulations 2009 on Preferential Issues, a certificate from the Statutory Auditors, to the effect that the proposed allotment will be made in accordance with the said guidelines, will be placed at the meeting.

The Members are, therefore requested to accord their approval to this item of the notice by way of Special Resolution.

The Directors of your company may be deemed to be concerned or interested to the extent of their share holding/Directorships in the allottee companies.

By Order of the Board

Place : Chandigarh

(R.K. Sood)

Date : 06.09.2010

COMPANY SECRETARY

INFORMATION REGARDING DIRECTORS SEEKING RE-APPOINTMENT

1. **Dr. H.P.S.Chawla** Born in 1940, Dr Chawla is Msc(Hons.), M. Tech(Synthetic drug & Fine Chemicals) & Ph.D. He is former Dean of Pharmaceutical Education and Research (NIPER) and possesses experience of over 46 years.

He is also Director of Unimarks Remedies Ltd. He is not member of any of the committees in the companies in which he is Director

2. **Dr. N.D.Aggarwal** : Born in 1941, Dr. N.D.Aggarwal is Ph.D . He carries a rich experience of Pharmaceutical sciences in the Research and analytical department as a research scientist. He has worked in Bayer Pharmaceuticals, USA..

He does not hold position of Director in any other company. He is member of the Audit Committee and Remuneration Committee of the company

3. **Mr. Himanshu Jain** : Born in 1982, Mr. Himanshu Jain has been associated with the company since July 2003 and held the position of Executive Director of the company till June 2010. He is son of Late Sh. A.K.Jain, Past Chairman of the group. He has general expertise in Project Management and implementation. He is also Jt. Managing Director of Ind-Swift Laboratories Ltd. Besides above ,He is also Director in the following Limited Companies

1. Ind- Swift Infrastructure & Developers Ltd
2. Mansa Print & Publishers Ltd.

He is not member of any committee of other companies where he is Director.

DIRECTOR'S REPORT

Dear shareholders

The Board of Directors of the Company have pleasure in presenting the 24th Annual Report of the Company for the financial Year 2009-10.

Financial Results

The Financial performance of the Company for the year ended 31st March 2010 is summarized as below:

Particulars	Year ending 31st March 2010	Year ending 31st March 2009
Sales and other income	68943.34	59359.12
Profit before interest and depreciation	9346.37	8676.75
Interest	4299.20	3681.13
Depreciation	1214.98	947.48
Profit before tax	3832.19	4048.14
Provision for tax	651.28	458.65
Provision for deferred tax	173.77	187.90
Provision for FBT	---	11.95
Profit after tax available for appropriation	3671.50	3773.82

Performance

The sales revenue and other income for the year under review at Rs.689.43 Crores is up from Rs.593.59 Crores in the previous year. Profit Before tax is Rs.38.32 Crores (previous year Rs. 40.48 Crores), profit after tax is Rs.36.71 Crores from Rs. 37.73 Crores in the previous year.

Dividend

The Board has recommended a dividend of 20 % (i.e. Rs. 2/- per share) for the year under consideration. The dividend if approved by the shareholders at the ensuing annual general meeting will be paid on or before 30-10-2010 to those shareholders whose names appear on the register of members of the company as on the date of book closure.

The Company has deposited the unclaimed/unpaid dividend for the year 2000-2001 into Inves-

tor Education and Protection fund u/s 205-C of the Companies Act, 1956.

Global Business Unit

Success, they say, is a journey and not a destination. The Global Business Unit of your company has imbibed this philosophy and it's this underlying principle which governs our business. In line with this we have been creating milestones year after year. We expect a major boost to our Export Turnover in coming years as we have started exporting more of our products to various countries. We have continued adding new territories and register more products in the already operational territories. We have also undertaken major initiative in developing more products and expanding our product portfolio. With the successful approval of the sachet facility from TGA and EU, we hope to see this line add decent amount of

business in the coming years. We have also embarked upon the mission to add new and interesting product offers in this segment.

Some of the prominent new countries commercialized in the last fiscal are Malaysia, Jamaica, Tajikistan and Nigeria.

CRAMs and Licensing

We have done exceptionally well in our licensing business and motivated by our success with the existing dossiers are looking at greatly enhancing our service offers in this segment. Our strategy for the CM business is to scale up the business with prudence ensuring that only projects with predefined bottom line are undertaken. We have successfully managed to strike a fine balance between volume based CM projects and the value based in synchronation with the above strategy. Besides Contract Manufacturing activities, our own products have been licensed out to leading generic players in Europe and Australia. The approvals and launches are expected by the license holders in the early next year. One of these products would be the first generic launch in the West European Countries. Various customers audit have been successfully concluded for our manufacturing sites at Jawaharpur and Jammu. Loan license arrangements have been initiated for exports to fulfill the demands of customers on a product range that was not possible in house simultaneously upgrading the facilities of our vendors. To streamline operations and development of new products, Regulatory function has now been aligned with the formulations R & D.

Domestic Business

Your Company has successfully launched a new marketing division `NOVA' with special focus on ophthalmology, ENT and Dermatology. The division has strength of near about 300 field persons spread across the country. We have also successfully added a new molecule in already existing division in gynecology, pediatrics and cardiology segments which has given a clear edge to the company in market. Three new divisions in the segments of Oncology & ICU, Herbal nutraceuticals, and over the counter products(OTC) are in pipeline. With the launch of these new divisions, the company will have presence in almost in all the areas of Health & Pharmaceuticals.

Research and development

The Company has a spawning Research & Development facilities offered by its State-of-Art drug formulations, chemical research & analytical development centre, equipped with the latest equipments needed for combinational synthesis, ultramodern HPLC and GC systems.

Directors

Mr. V.K.Mehta, one of the founder Directors of the company left for heavenly abode on 21st March 2010. The Board of Directors Places on records its tribute to the valuable services rendered during his tenure.

Rishav Mehta, who was appointed as additional director & hold office till conclusion of AGM, is proposed to be appointed as a Director who shall be lible to retire by rotation.

Dr. H.P.S.Chawla, Dr. N.D.Aggarwal & Mr. Himanshu Jain, Directors of the company are retiring by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

Director's Responsibility Statement

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 with respect to director's responsibility statement, your directors confirm:

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2010, the applicable accounting standards have been followed along with proper explanation to material departure, if any;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the net profit or loss of the company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of companies Act 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and

- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2010 on going concern basis.

Auditors

M/s J.K.Jain & Associates, Chartered Accountants, Chandigarh, statutory auditors of the Company retire at the conclusion of the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

The Auditor's Report is self-explanatory and does not require any explanation by the Board.

Energy, technology and foreign exchange

Information required under section 217(1)(e) of the companies Act 1956, read with Companies (Disclosure of Particulars in the report of Directors) Rules, 1988 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is annexed and form part of this report.

Personnel

The information under section 217(2A) of The Companies Act, 1956 is enclosed as per Annexure 'B'

The employer – employees' relations remained cordial throughout the year at all locations.

Fixed Deposits

The Company's fixed deposit scheme has drawn good response and confidence from the public. The aggregate amount of fixed deposits as on 31st March 2010 was Rs.6208.84 Lakhs (previous year Rs. 1769.08 Lakhs). There was no default in repayment of principal as well as interest in relation to deposits. Further, there is no unclaimed or unpaid amount in relation to deposits.

Listing

The shares of the Company are listed at following Stock Exchanges:

1. Bombay Stock Exchange Limited
2. National Stock Exchange of India Limited

The listing fee for the concerned year has been paid to the respective Stock Exchanges.

Depository System

The shares of the Company are being traded in compulsory dematerialised form. The Company has ensured connectivity with both the depositories i.e.. NSDL and CDSL.

Corporate Governance

A detailed report on Corporate Governance is annexed herewith and forms part of this Report.

Acknowledgment

Yours directors would like to express their grateful appreciation for the assistance and co-operation received from the Bankers and government authorities and also thanks the shareholders for the confidence reposed by them in the Company and look forward to their valuable support for the future plans of the Company.

Directors also thank its distributors, agents, stockiest, retail traders, medical professionals, employees and customers for their continued patronage of the company products.

**By Order of the Board
For and on Behalf of the Directors**

Place: Chandigarh

Date: 06-09-2010

Chairman

ANNEXURES TO THE DIRECTORS REPORT

ANNEXURE A

Statement of particulars under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988

The Company's operation involves low energy consumption and there are no major areas where energy conservation measures could be considered. However efforts to conserve and optimized the use of energy and improved operational method will continue. Training programs are conducted to increase awareness of conservation of energy among the workforce.

FORM A

Disclosure of particulars with respect to energy conservation

A. Power & Fuel Consumption	2009-10	2008-09
1. Electricity		
a) Purchased		
Units	6544918	6226219
Total Amount	30237522	28550764
Rate/ Unit (Rs.)	4.62	4.59
b) Own generation		
i) Units (through diesel generator)	1553318	2018599
Units per litre of diesel oil	5.71	5.71
Cost per unit(Rs.)	6.51	6.51
ii) Through steam turbine/ generator	N.A	N.A
2. Coal	N.A	N.A
3. Furnace Oil consumption per unit of production	10 unit/ltr	10 unit/ltr
4. Others/ Internal Generation	N.A.	N.A
B. Consumption per unit of production		
Injection eye and ear drops	0.006 unit/ml	0.006 unit/ml
Tablets and Capsules	0.06unit/100tab & caps	0.06unit/100tab & caps
Ointments	0.02unit/per tube	0.02unit/per tube

FORM B

B. Technology Absorption

I) Research and development (R&D)

1. Specific areas in which R&D carried out by the company.
 - Taste masking technology of macroides for the first time in India.
 - Development of NDDS for old and new molecules.
 - Developing non infringing process of four products.
 - Unique tablet in tablet technology.
- Development of sustained release process of Isoxsuprine HCL tablets first time in India.
 - Researching such ayurvedic medicinal plants those show a promise in treating chronic ailments, conditions and life style disorders.
 - Working on finished dosage of all latest molecules being launched by the group company Ind Swift Laboratories Limited.

2. Benefits derived as a result of the above R & D.

- Received US patent for Clarie-OD having a market size of US\$ 300 mn
- Received two process patents- in India for Innovative processes; i.e. Clarie-OD and Fexo ODT.
- Launched Anti-Diarroheal Drug, Nitazoxanide for the first time in Asia.
- Registration of dossier different countries.
- Filed another US Patent for Fexofenadine ODT having market size of US\$ 2.5 bn.
- Developed expertise in NDDS, which has found acceptability in India and

rest of the world.

- Successfully developed and marketed 15 products based on NDDS.
- Entered into Co-marketing arrangements with leading pharma companies.

3. Future plan of Action

- New products process development in collaboration with leading Global Pharma Companies.
- Greater thrust in the area of novel drug delivery system and value added dosage forms.
- More focus on patent non-infringing process and patent filing.
- Regulatory filing, networking and compliances.
- Upgradation of existing R&D facilities.

1. Expenditure on R&D.

(a) Capital	104946
(b) Recurring	48224309
(c) Total	48329255
(d) Total R&D expenditure as a percentage of total turnover	0.71%

II) Technology absorption, adaptation and innovation.

The company is using indigenous technology. All operating staff are well-conversant and trained in the process.

A. Foreign Exchange Earning and Outgo

FOB value of exports	US \$ 2130764.71 EURO 542239.62 GBP 1697957.36 AUD 1036435.51	Rs.102576730 Rs. 36758732 Rs.126102964 Rs.40923074
Technology Transfer Fees	US \$ 1535916 EURO46500 GBP 26920 AUD 129575	Rs.61706720 Rs.3201525 Rs.2102224 Rs.5496589
Other Income	US \$ 40477.78 EURO153961.98 GBP 62028	Rs.1914092 Rs.10110457 Rs.4569092
Tour & Travel	US \$ 28278.34 EURO8980.69 GBP 490 AUD 5465.21	Rs.1374773 Rs.695133 Rs.32100 Rs.198934
Import Material	US \$ 4235258.18 EURO 299728.32 GBP 153863.06	Rs.215549136 Rs.20393710 Rs.12391216
Import Equipment	US \$ 247199 Euro 350000	Rs.12207173 Rs. 24342500

The company focus on increasing its Export Turnover in the coming years. It has already filed more than 52 dossiers in unregulated and semi-regulated countries. The Company is also making efforts to enter into tie-up in these markets for marketing of its products.

For and On behalf of the Board

Place: Chandigarh

Dated: 06-09-2010

Chairman

ANNEXURE `B`

The statement pursuant to section 217(2A) of The Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 and forming part of Director's Report:

Name	Designation /nature of Duties	Age	Qualifications	Total Experience	Date of commencement of appointment	Gross Remuneration Rs. in lacs	Previous Employment held
Mr. S.R. Mehta	Chairman	54	B.sc	31yrs	06.06.1986	87	Synthico Formulation Pvt. Ltd (Area Manager)
Dr. Gopal Munjal	Mg. Director & CEO	51	D.H.M.S	26 Yrs.	11.12.1986	87	Nil
Dr. V.R.Mehta	Jt. Mg. Director	53	M.sc	31 yrs	30.9.1993	87	Rallis India (Sales Officer)
Mr. Himanshu Jain	Exec. Director	28	B.Com	7 yrs	31.07.2003	87	NIL

For and On behalf of the Board

Place: Chandigarh

Dated: 06-09-2010

Chairman

REPORT ON CORPORATE GOVERNANCE

Ind-Swift philosophy on code of governance

The Company is committed to maximise the wealth of its stakeholders on the one hand and to protect the interest of customers, employees and associates on the other. In furtherance of this objective, the company has internalized sound principles of corporate governance incorporating the higher standard of professionalism, integrity, accountability and fairness. These are aligned to corporate values of transparency at all levels, social responsiveness, and high business ethics while accomplishing the company's business objectives. The Company strongly believes that a system of good corporate governance protects the interest of all stakeholders by inculcating a strong sense of accountability within the management. Through appropriate organization structures, the company has put in place various system and internal control measures for corporate governance. Transparency, openness, accountability and truth are the cornerstones of effective corporate governance within the company.

Board of Directors

The Board of Directors of your company consists of twelve directors who have a rich experience in their respective fields. Out of these twelve directors, three are Promoter/ Executive Directors, three are Promoter/ Non-Executive Directors and remaining six are independent directors. There is no nominee director. The Chairman of Board is an executive director

The detail of composition of Board of directors is given below:

Sr. No	Name	Designation	Promoter /Non- Promoter/Independent/ Executive/ Non-Executive	No. of Other Directorships @	No. of Committee Memberships
1.	Mr. S.R.Mehta	Chairman	Promoter/Executive	02	02
2.	Dr. G. Munjal	Managing Director & CEO	Promoter/Executive	03	01
3.	Mr. V.R.Mehta	Jt.Managing Director	Promoter/Executive	02	01
4.	Mr. Himanshu Jain	Director	Promoter/Non-Executive	02	01
5.	Mr.N.R.Munjal	Director	Promoter/Non-Executive	02	02
6.	Mr. V.K.Mehta	Director	Promoter/ Non Executive	02	02
7.	Mr. Rishav Mehta	Director	Promoter/Non-Executive		NIL
8.	Mr. K.M.S.Nambiar	Director	Non-Executive/Non promoter/Independent	01	05
9.	Dr.R.S.Bedi	Director	Non-Executive/Non promoter/Independent	NIL	01
10.	Dr. N. D. Aggarwal	Director	Non-Executive/Non promoter/Independent	NIL	02
11.	Mrs.Nirmal Aggarwal	Director	Non-Executive/Non promoter/Independent	NIL	NIL
12.	Dr. H.PS.Chalwla	Director	Non-Executive/Non promoter/Independent	01	NIL
13.	Dr. S.K.Mathur	Director	Non-Executive/Non promoter/Independent	NIL	01

- Mr. V.K.Mehta, Director Expired on 21st March 2010.
- Mr. Rishav Mehta appointed as Additional Director w.e.f. 23rd March 2010.
- The Directorship mentioned above excludes Private limited Companies, Foreign Companies and Section 25 Companies.
- Mr. K.M.S Nambiar, holds position as chairman in all the 5 committees.
- The Status of Mr. Himanshu Jain was changed from Promoter/Executive Director to Promoter/ Non executive Director w.e.f. 1st July, 2010

Non-Executive Directors’ Compensation and Disclosures

Apart from receiving sitting fees for attending the meetings of the Board/Committees, there are no pecuniary relationships or transactions between the company and independent directors.

None of the directors holds the office of directorship in more than fifteen Companies and membership in more than ten committees of the board and chairmanship of more than five committees

The details of Board Meetings held during 2009-10 are as follows.

Date of Meeting	Place	No. of Directors present
29-04-2009	Chandigarh	10
30-07-2009	-do-	10
21-08-2009	-do-	12
31-08-2009	-do-	10
08-10-2009	-do-	10
30-10-2009	-do-	09
28-01-2009	-do-	08
22-02-2009	-do-	11

The attendance of Directors at Board meetings and the last annual general meeting is as under:

Sr. No	Name	Nos. of Board meeting attended	Whether Last Annual general meeting held on 24th September, 2009	Membership of Committees		
				Audit	STC*	RC**
1.	Dr. G. Munjal	7	Yes			
2.	Mr.S.R. Mehta	7	Yes			
3.	Mr. V.R.Mehta	8	Yes		Yes	
4.	Mr. Himanshu Jain	8	Yes		Yes	
5.	Mr.N.R.Munjal	7	Yes			Yes
6.	Mr. V.K.Mehta	8	Yes			
7.	Mr. K.M.S.Nambiar	6	Yes	Yes		Yes
8.	Dr.R.S.Bedi	4	Yes	Yes		
9.	Dr. N. D. Aggarwal	8	Yes	Yes		Yes
10.	Mrs.N. Aggarwal	8	Yes			
11.	Dr. H.PS.Chalwla	4	Yes			
12.	Dr. S.K.Mathur	4	Yes		Yes	

Re-appointment of Directors

Dr. H.PS.Chawla, Dr. N.D.Aggarwal & Mr. Himanshu Jain, Directors are retiring by rotation in the forthcoming AGM. The required information regarding these directors is given with the notice of the Annual General Meeting:

Code of Conduct

The Board of Directors have approved and adopted Code of Conduct for Board members and senior management. The Managing Director has affirmed that each Board Member and Senior Management acknowledged the receipt of the code of conduct and has affirmed compliance with this code.

Audit Committee

The Audit committee of the company consists of three directors and all of them are independent and non-executive directors. The Chairman of Audit Committee, Mr. K.M.S.Nambiar is a Fellow member of the Institute of Company Secretaries of India and has rich experience of financial matters and management. Five meetings of Audit Committee were held during the financial year 2009-10. The constitution of audit committee and attendance of each member are as under:

Name of Directors	Category	Designation	Nos. of meetings attended
Mr.K.M.S. Nambiar	Non-Executive and Non Promoter	Chairman	4
Dr. N.D.Aggarwal	Non-Executive and Non Promoter	Member	5
Dr. R.S.Bedi	Non-Executive and Non Promoter	Member	4

The Company Secretary of the company acts as Secretary to the Committee.

The terms of reference of the audit committee have been approved by the Board and include the following:

1. To review the quarterly and yearly financial statements before being submitted to the Board.
2. To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. To review, act and report to the Board of directors with respect to various auditing and accounting matters, including recommendations for appointment of independent auditors, the scope of annual audits.
4. To hold periodical discussions with statutory auditors on the scope and content of audit
5. To discuss with the auditors any significant findings and follow up thereon.
6. To review the company's financial and risk management policies.
7. To ensure compliance of internal control system.
8. To consider such other matter as may be required by the Board; and
9. To do and to ensure compliance of all other matters specified under clause 49 of the listing agreement.

Share transfer/Shareholder's Grievance committee

During the financial year 2009-10, Share Transfer/Shareholder Grievance committee meetings were held on fortnightly basis to consider share transfer and Investor grievances matters. The members of the committee are as follows

Name	Category	Designation
Dr. S.K. Mathur	Non-Promoter and Non Executive	Chairman
Dr. V. R. Mehta	Promoter and executive	Member
Mr. Himanshu Jain	Promoter and executive	Member

The Company Secretary of the company acts as Secretary to the Committee.

Remuneration of directors

There is no pecuniary relationship or transaction of the company with its independent directors other than payment of sitting fee for attending Board and Committee meetings. All the four Executive Directors are paid by way of monthly remuneration, which is explained in detail in notice of Annual General Meeting and no commission on profits is paid to any of the Directors. The details of remuneration paid to executive directors is given as per Annexure' B to the Directors' Report

Remuneration Committee

Though Company is not mandatory required to form remuneration Committee, however as a gesture of good Corporate Governance a remuneration committee has been constituted. The members of the committee are as under:

Name	Category	Designation
Mr. K.M.S. Nambiar	Non-Promoter and Non-Executive	Chairman
Dr. N.D. Aggarwal	Non-Promoter and Non-Executive	Member
Mr. N.R.Munjal	Promoter and Non-Executive	Member

The terms of appointment of whole time directors are governed by resolution of board of directors and shareholders and rules applicable to the company. There was one meeting held during the year

General body meetings

Details of last three Annual General Meetings:

Financial Year	Annual General Meeting	Date	Time	Venue	No. of Special Resolutions
2008-09	23rd AGM	24th September 2009	10.30 a.m	PHD Chamber , Sector 31, Chandigarh	1
2007-08	22nd AGM	26th September 2008	10.30 a.m.	BMS Lobana Bhanvan, Sector 30-A, Chandigarh	4
2006-07	21st AGM	29th September 2007	10.00 a.m	BMS Lobana Bhanvan, Sector 30-A, Chandigarh	1

- In the AGM held on 29-09-2007, only one special resolution regarding appointment of Mr. Annie Mehta was passed
- In the AGM held on 26-09-2008, four special resolutions regarding re-appointments and increase in remunerations of Mr. S.R.Mehta Chairman, Dr. Gopal Munjal MD& CEO, Dr. V.R.Mehta, Jt. Mg. Director and Mr. Himanshu Jain, Executive Director were passed.
- In the AGM held on 24-09-2009, only one resolution regarding preferential allotment of Zero Coupon Convertible Warrants was passed.

Disclosures

- There were no transactions of material nature with the promoters, directors, management or their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company.
- Transactions with the related parties are disclosed at Notes on Accounts in the attached balance Sheet.
- There has been no instance of non-compliance by the company on any matter related to capital markets. The Company has complied with all the applicable laws whichever applies to the company.

Means of communication

The Company has adopted following means of communication:

- Quarterly and annual financial results published in
 - Economic Times
 - Financial Express

- Business Standard
- Amar Ujala
- Nabhbharat Times.
- Uploading of financial results on official website of company www.indswifltd.com.
- All the press releases of relevance to the investors are also made available on website for a reasonable period of time
- Annual Report to all Shareholders.

Management Discussion and Analysis Report

A detailed report on Management Discussion and Analysis Report forms part of this report.

General Shareholder information

a. 24th Annual General Meeting

Date: 30.09.2010

Time: 10.00 a.m.

Venue: PHD House, Sector-31 Chandigarh

Financial Year: 2009-10

b. Financial Calendar :

Financial reporting for the financial year 2010-11 for

- Quarter ending
30 June 2010 Adopted on 28th July, 2010
- Quarter ending
30 September 2010 By 31st October 2010
- Quarter ending
31 December 2010 By 31st January 2011
- Quarter ending
31 March 2011 By 30th April 2011
- Annual General Meeting
for the year ending 31 March 2011 in September 2011.

Date of book closure:

c. Dividend payment date:

d. Equity Shares Details

Stock Code BSE: 524652
NSE: INDSWFTLTD
Company's ISIN No. INE788B01028

Monthly Share Price movement:

The high and low prices of the company's share (of Rs. 2/-each) at BSE on monthly basis from April 2009 to March 2010 are as under:

Month	High (Rs.)	Low (Rs.)	Volume of shares
April 2009	17.20	13.10	7,93,099
May 2009	25.45	14.50	18,84,484
June 2009	24.80	17.50	13,08,999
July 2009	21.50	16.40	6,56,680
August 2009	28.60	20.50	31,58,301

September 2009	30.60	24.80	10,84,206
October 2009	30.80	26.05	6,93,850
November 2009	29.50	25.10	5,07,853
December 2009	35.50	28.20	12,68,528
January 2010	37.00	29.60	11,12,999
February 2010	34.00	27.20	7,58,352
March 2010	31.30	27.70	17,49,254

Source: BSE website

Registrar and Share Transfer Agent (for Physical and demat)

Alankit Assignments Limited

(Unit: Ind-Swift Limited)
 2-E/21, Jhandewalan Extension
 New Delhi - 110055
 Tel: - +91-11-51540060-63
 Fax: - + 91-11-51540064
 E-mail: alankit@alankit.com

Share Transfer System

- The Share Transfer/share holders Grievance Committee approves the transfer and transmission of shares, issue of duplicate share certificates and related matters. The transfers received are processed within 15 days of the receipt of the same subject to the transfer document being complete and valid in all respects. The Committee also monitors the redressal of Investor's grievances. As on 31st March, 2010, there were no shares pending for transfer.
- The practicing Company Secretary appointed by the Board is conducting secretarial Audit of the company on quarterly basis and report is being filed with the stock exchanges.
- M/s Alankit Assignments Ltd., Registrar and Transfer Agent appointed by the Company have adequate infrastructure to carry out the share transfer, transmission and other related assignments.
- The Company has during the year under review received 27 complaints from shareholders and all the complaints have been duly settled. There was no unsettled complaint as on 31st March, 2010.

Distribution of share holding: as on 31st March 2010

Share holding of Nominal value of (Rs.)	Nos. of share-holders	Percentage	Share Amount	Percentage
Up to 5000	15706	94.00	13885066	18.67
5001 to 10000	527	3.15	3937904	5.30
10001 to 20000	237	1.42	3520782	4.74
20001 to 30000	71	0.43	1763758	2.37
30001 to 40000	33	0.20	1199890	1.61
40001 to 50000	25	0.15	1129062	1.52
50001 to 100000	54	0.32	3886684	5.23
100001 and above	55	0.33	45033594	60.56
TOTAL	16708	100.00	74356740	100.00

Share holding pattern as on 31st March 2010

Category	No. of shares	Percentage
Promoters/Promoters group	14388306	38.70
Mutual Funds & FIs	4500	0.01
Bodies Corporate	7498016	20.17
NRI's/OCB's/FII	231704	0.62
Public	15055844	40.50
Total	37178370	100.00

Dematerialisation of Shares

The shares of the Company are being traded in compulsory de materialised form. The Company has ensured connectivity with both the depositories i.e National Securities Depository Limited and the Central Depository Services (India) Limited. As on 31st March 2010, 34808615 equity shares of the company, forming 93.63% of the share capital of the company, stand de- materialized.

Mode of Shares	Number of Shares	%
Physical	2369755	6.37
NSDL	28952471	77.88
CDSL	5856144	15.75
Total	37178370	100.00

Registered office

Ind-Swift Limited

781, Industrial Area-II,
Chandigarh – 160002
Ph.: 0172-2638781, 2638782, 2638786
Fax: 0172-2652242
Website: www.indswifltd.com

Company Secretary & Compliance officer

Mr. R.K.Sood
781, Industrial Area-II,
Chandigarh – 160002
e-mail: companysec@indswift.com

Plant Locations:

- 123, Industrial Area, Phase-I, Panchkula – 134109 (Haryana)
- Plot No. 23, Sector – 2, Parwanoo (H.P.)(Unit-1)
- Plot No. 17-B, Sector-2, Parwanoo (H.P.)(Unit-II)
- Village Malku Majra, Baddi(H.P.)(Unit III & IV)
- Village Jawaharpur, Teh. Derabassi, (Punjab)
- Industrial Growth Centre, Sambha, Jammu(J&K)

Auditor's Report on Corporate Governance

The Members

M/s Ind - Swift Ltd.

Chandigarh.

We have examined the compliance of conditions of Corporate Governance by M/s Ind Swift Ltd. for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said company, with Stock Exchange (s).

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination is limited to a review of procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanation given to us by the Directors and the management, we certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

Based on the records maintained & certified by the secretary of the company there are no investor grievances pending against the company for a period exceeding one month as on 31st March, 2010.

We further state that such compliance is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

for **J. K. Jain & Associates**

Chartered Accountants

Place: Chandigarh

Date : 06-09-2010

(J. K. Jain)

Partner

Membership No. 83140

Management Discussion & Analysis Report

Global Perception & Growth Trend

As per recent survey conducted on global pharma trends, If present industry overview is taken into consideration then the global pharmaceutical market in 2010 is projected to grow 4 - 6% exceeding \$825 billion. The global pharmaceutical market sales is expected to grow at a 4 - 7% compound annual growth rate (CAGR) through 2013. This industry growth is driven by stronger near-term growth in the US market and is based on the global macro economy, the changing combination of innovative and mature products apart from the rising influence of health care access and funding on market demand. Global pharmaceutical market value is expected to expand to around \$ 975 billion by 2013. Different regions of the world will influence the pharmaceutical industry trends in different ways. The pharma market world over will experience significant shifts. Asia-Pacific region will emerge as the fastest growing pharmaceutical market over the recent past. The reason for this positive shift can be attributed to the low costs and favorable environment. This region has experienced important developments regarding contract manufacturing, especially in generics and APIs. Increased R&D activities in the region has helped Asia-Pacific pharmaceutical industry to achieve an estimated market size of around US\$ 187 Billion in 2009. Here, the pharmaceutical industry is expected to grow at a CAGR of around 12.6% during 2010-2012. It can, in fact, become the global API production hub in next few years.

Indian Pharmaceutical Industry

According to PwC India's pharmaceutical industry ranks as a frontrunner among the country's science-based industries with wide ranging capabilities in the complex fields of drug manufacture and technology. The industry has been growing at an impressive CAGR in excess of 8-9 percent, and will touch \$10 billion by 2010. India's population is growing rapidly, as is its economy - creating a large middle-class able to afford western medicines. India's epidemiological profile is also changing and the population is ageing, so demand is likely to increase for drugs for cardio-

vascular problems, disorders of the central nervous system and other chronic diseases such as diabetes which is increasing at an alarming rate. The total market is expected to rise to a value of approximately \$50 billion by 2020, according to PricewaterhouseCoopers.

Opportunities & Threats

The major strengths, weaknesses, opportunities & Threats of Indian Pharmaceutical market is as under:-

Strengths

- Excellent Chemistry and process re-engineering skills
- Massive Pharmaceutical market Growth potential
- Strong local manufacturing sector with leading domestic players establishing a notable international presence.
- Long established International trading patterns mainly with western Europe and the US.
- Growing number of market approval and accreditations.

Weaknesses

- Among the least-developed pharmaceutical markets in Asia, with extremely low per-capita consumption.
- Low entry Barriers to new players
- Government drug pricing control and reimbursement policy.
- Underdeveloped health care infrastructure,.
- Vast regional disparities in health care coverage.

Opportunities

- Robust generic and OTC drug market growth, with the latter benefiting from expected liberalization of sales channels.
- Large and growing pollution boosting pharmaceuticals and medical demand.
- Underdeveloped market for chronic illnesses.

- The recognition of pharmaceutical patents from January 2005.
- Rising demand for generic drugs globally.
- Global outsourcing hubs for pharmaceutical products.
- Increasing R&D activity by domestic firms.

Threats

- Threat from Other low cost countries like China.
- Failure to enforce World Trade organization (WTO) - compliant patent legislation for Drugs property.
- Considerable counterfeit drug industry.
- Further price controls on essential medicines.

Outlook

The company is well positioned in the emerging business scenario with a clear objective to enhance market share in the domestic and select International markets.

Internal Control systems

The Company maintains a system of well established policies and procedures for internal control of operations and activities, and these are continually reviewed for effectiveness. The internal control system is supported by qualified personnel and a continuous program of internal audit. The prime objective of such audits is to test the adequacy and effectiveness of all internal control systems laid down by the management and to suggest improvements. We believe that the company's overall system of internal control is adequate given the size and nature of operations and effective implementation of internal control self assessment procedures. The Company encourages and recognizes improvements in work practices. The internal control system of the company is also reviewed by the Audit Committee periodically.

Human Resources

Human resource management is a key focus area for the company and the company has been making constant endeavor to attract and retain the best talent. The company invests in the training and development needs of its employees through

tailor made programs and extensive workshops. Focused initiatives were undertaken to improve HR process tools and techniques.

Outlook on Threats, Risks and Concerns

The global generic business is becoming more competitive with the entry of newer players from emerging economies. As stated earlier, the rising trend of consolidation and amalgamations among Pharma companies is bringing in stiff challenge in the marketplace. There is a need to safeguard against any attempt by vested interests to extend the monopoly of certain big companies and to delay launch of generic version even after expiry of related patent. Several issues like ever greening of patents and compulsory licensing still remains to be solved at Governments' end and unless the Government takes some decisive steps, these can have serious adverse effects on the functioning and future of Indian Pharmaceutical Industry, Also, the Drug pricing policy of the Government has a direct bearing on the prices of products and product margins.

Overview

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. The management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. These estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the statements reflect, in a true and fair manner, the state of affairs and profits for the year. This report may also contain certain statements that the company believes are or may be considered to be 'forward looking statements' which are subject to certain risks and uncertainties.

For and On behalf of the Board

Place: Chandigarh

Dated: 06.09.2010

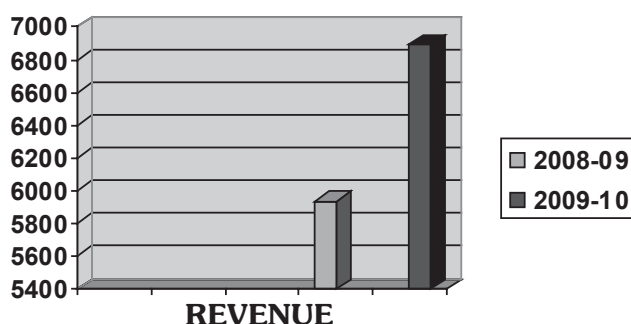
Chairman

Financial Performance with Respect to Operational Performance

Revenue

Gross revenue has increased from Rs. 5935.91 million in 2008-09 to Rs. 6894.33 million in 2009-10 recording a growth of 16.15% over the previous financial year. Gross revenue includes income from contract research for Rs. 102.51 millions (previous year Rs. 85.00 million)

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Expenditure

The company's total expenditure increased by 17.72% i.e. Rs. 6511.12 million during 2009-10 compared to Rs. 5531.10 million during 2008-09. The increase is due to increased level of operations and normal rate of inflation.

Break up of expenses as %age to revenue from operations:-

	2009-10	%age	2008-09	%age
Revenue from operations	6894.33	100.00	5935.91	100.00
Cost of Material Consumed	5197.16	75.38	4368.63	73.60
Manufacturing expenses	171.60	2.49	165.14	2.78
Administrative expenses	212.16	3.08	191.04	3.22
Selling & Dist. Expenses	298.44	4.33	260.12	4.38
Financial Expenses	429.92	6.23	368.11	6.20
Other Expenses	201.84	2.93	178.06	3.00
Operating Profit	383.22	5.56	404.81	6.82

Material Consumed

Cost of material consumed Increased from Rs. 73.60% (Rs. 4368.63 mns) of revenues to 75.38% (Rs. 5197.16 mns) of revenue because of fire at our Parwanoo Unit-I and Change in the Sale Product Mix.

Manufacturing Expenses

Decrease in manufacturing expenses from 2.78% (Rs. 165.14 mns) of the Revenues to 2.49% (Rs, 171.60 mns) of the revenues. This is mainly due to major fire occurred at our Parwanoo Unit-I during the end of October 2009. Due to this our operational activities at Parwanoo Unit disturbed and we have out sourced many Products and also shifted the Products to our Jammu Unit for manufacturing. So this results into decrease in this expenditure.

Administrative Expenses

Administrative expenses have increased by 11.05% as compared to last year mainly due to:-

- Increase in staff cost due to Annual Increments.
- Balance administrative expenses have increased in normal course and due to inflation

Selling & Distribution Expenses

Decrease in Selling & Distribution cost from 4.38% of the revenues to 4.33% of the revenues is mainly due to better budgetary control and management.

Financial Expenses

Financial expenses consists of Interest on Term Loan, Interest on working capital, exchange rate fluctuations and Bank Charges.

- Increase in interest on working capital loan is due to following reasons
 - Increase in working capital availment / utilisation due to increase in operational level of the company
 - Due to increase in rate of interest

Other Expenses

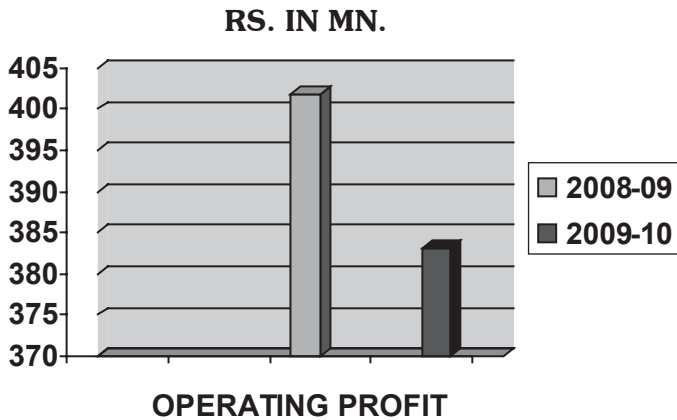
Other Expenses consist of depreciation and amortised expenses.

Depreciation increased because of increase in gross block of fixed assets

Operating Profit

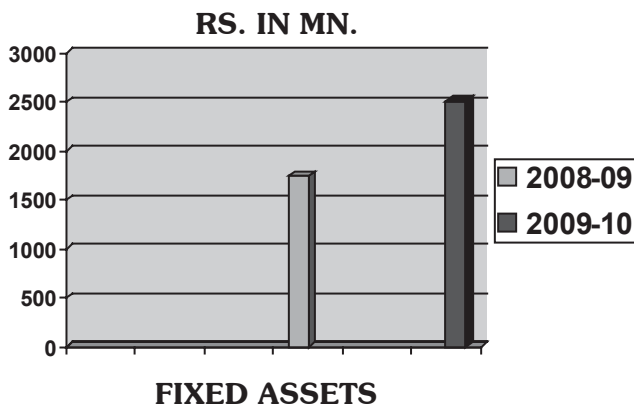
Operating Profit has decreased from Rs. 404.81 million during the previous year 2008-09 to Rs. 383.22 million in the current year 2009-10 mark-

ing a decrease of 5.63% from the previous year. This is mainly due to major fire occurred in Parwanoo Unit-I during end of October 2009. Thus these has been an increased cost of sales. Due to this there is a loss of Profitable Sale (Ethical Products) manufactured at Parwanoo Unit-I and also increased cost of Procurement of finished Products from third Parties.



Fixed Assets

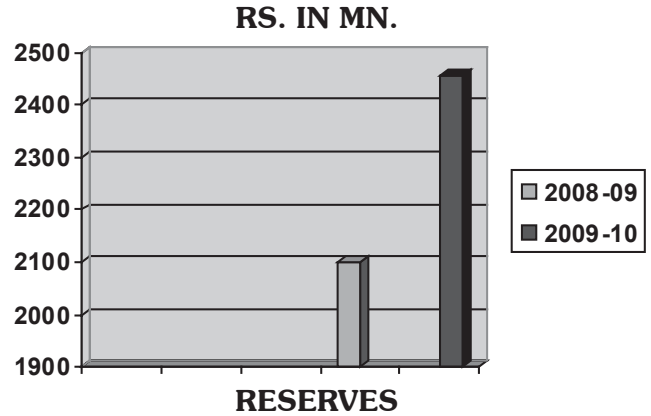
Investment in the fixed assets of the company has increased by 43.59% over the previous financial year 2008-09. It has increased to Rs. 2512.28 million in 2009-10 from Rs. 1749.62 million in 2008-09. This was mainly due to the additions during the year in tangible as well as intangible assets.



Reserves

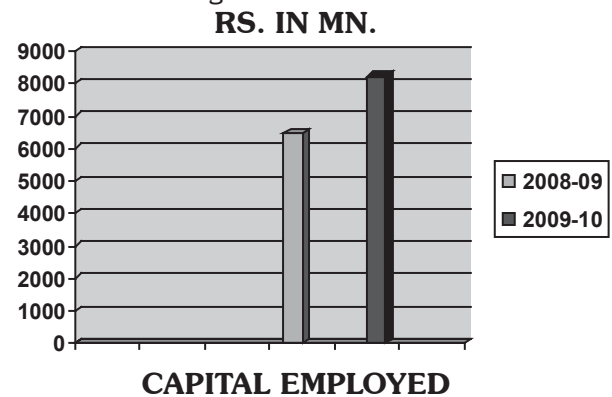
Reserves represent the shareholders wealth and as it are ploughed back in the business, is the most cost effective fund for the company.

In 2009-10, the company's reserves has increased by 16.92% i.e. Rs. 2456.74 million in 2009-10 from Rs. 2101.22 million in previous year 2008-09



Capital Employed

Capital employed of the company has increased from Rs. 6482.59 millions in 2008-09 to Rs. 8214.19 million during the current year 2009-10. The capital employed of the company increased due to new manufacturing facilities and expansion in the existing facilities.



Working Capital

In a pharmaceutical company, working capital is critical for a number of reasons, mainly due to

- 1) Investment in large number of raw materials due to large number of products in Product profile
- 2) Disbursement of credit to the agents and dealers for a comparatively longer Period than any other business.

Debtors

The debtor cycle have remained almost same to 104 days from 101 days during the current financial year.

Creditors

The company has been able to increase the creditors cycle from 108 days to 122 days in the financial year 2009-10

Inventory

The inventory holding has gone up by 24days during the year 2009-10

AUDITOR'S REPORT

The Members

Ind-Swift Limited

Chandigarh.

1. We have audited the attached Balance Sheet of M/s Ind-Swift Limited as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on the same date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditor's Report) Order, 2003, and as amended by Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in Paragraph (3) above:-
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for purpose of our audit.
 - b. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of such books.
 - c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this Report are in agreement with the books of accounts.
- d. In our opinion the Profit and Loss Account and Balance Sheet and cash flow statements comply with the requirements of the accounting standards referred to in Sub Section (3C) of Section 211 of the Companies Act 1956.
- e. During the course of our Audit, we have not come across with any such observation which has any adverse effect on the functioning of the company.
- f. Pursuant to the provisions of sub section (1)(g) of section 274 of the Companies Act 1956, we report as under :
On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director of the company in terms of Clause (g) of sub section (1) of section 274 of the Companies Act, 1956.
- g. In our opinion and to the best of our information and according to the explanations given to us, the said statement of accounts read with notes thereon, give the information required by Companies Act, 1956 in the manner as required and give a true and fair view:-
 - a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - b) In the case of the Profit and Loss Account, of the profit for the year ended on 31.3.2010 and
 - c) In the case of Cash flow Statement, of the Cash Flow of the Company for the year ended on that date.

For J.K. JAIN & ASSOCIATES
CHARTERED ACCOUNTANTS

Place: Chandigarh
Date: 06.08.2010

(J.K. JAIN)
Partner
Membership No. 83140

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in Para (3) of our Report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, the Company has a system of physical verification of all its fixed assets once in a year, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No serious discrepancies were noticed on such verification.
- (c) During the year, company has not disposed off any substantial/major part of fixed assets.
- (ii) (a) As explained to us, the stocks of stores, spare parts, raw materials and finished goods have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to information & explanations given to us, the Procedure of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion & according to the information & explanations given to us and on the basis of our examination of the records of inventory, the company is maintaining proper records of its inventory. The discrepancies noticed on physical verification of stocks of stores, spare parts, raw material and finished goods were not significant in relation to the operations of the Company and the same have been properly dealt with in the books of accounts.
- (iii) (a) According to the information and explanation given to us, the Company has taken/granted any loans, secured or unsecured from/to Companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Company has taken loan from one party and balance outstanding as on 31st March, 2010 is Rs. 195.38 Lacs. As regards the loan given, Company has been granted loan to one party and the balance outstanding as on 31st March 2010 of Balance Sheet is Rs.1056.84 lacs.
- (b) According to the information & explanations given to us, the loans granted are unsecured and in our opinion, the terms & conditions of loans granted, are not prima facie prejudicial to the interests of the company.
- (c) According to the information & explanations given to us, the company as well as the parties to whom loan have been given are regular in repayment of principal amount and payment of interest as stipulated.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for the sale of goods.
- (v) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, the transactions that needed to be entered into the register have been so entered.
- (b) According to the information and explanations given to us, the transactions exceeding Rs.5,00,000/-(Rupees five lacs only) have been made at prices, which are prima facie, reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the directions issued by the Reserve Bank of India and provisions of Section 58A & 58AA of the Companies Act, 1956 and the rules framed thereunder with regard to the deposits accepted from the public.
- (vii) In our opinion, Internal Audit System followed by the management is commen-

- surate with the size of the company and nature of its business.
- (viii) The Company is required to maintain cost records under section 209 (1)(d) of the Companies Act, 1956 for the products of the company and according to the information & explanations given to us, the company has maintained proper records as prescribed by the Central Government but we have not carried out the examination of these records.
 - (ix) (a) According to the information and explanations given to us and the records of the company examined by us, the company has been regular in depositing undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable to it. We are informed that there are no undisputed statutory dues as at the year end outstanding for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed dues of Income Tax, FBT, Wealth Tax, Sales Tax, Custom Duty and Excise Duty and cess matters.
 - (x) The company does not have accumulated losses as at the end of the financial year March 31, 2010. Further the company has not incurred any cash losses during the financial year ended March 31, 2010 and in the preceding financial year ended March 31, 2009.
 - (xi) According to the records of the company examined by us and the information and explanations given to us, the company during the year has not defaulted in repayment of dues to financial institutions or banks.
 - (xii) According to the information & explanations given to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
 - (xiii) The provisions of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the Company.
 - (xiv) In our opinion and according to the information & explanations given to us, the company has maintained proper records of the transactions relating to dealing in shares, securities & other investments & also entries have been made therein timely. Also all the shares, securities etc. have been held by the company in its own name.
 - (xv) In our opinion and according to the information & explanations given to us, the terms and conditions on which the company has given guarantees during the year for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the company.
 - (xvi) In our opinion and according to the explanations given to us, the term loans taken during the year have been applied for the purpose for which they were obtained.
 - (xvii) According to the information & explanations given to us and on overall examination of the balance sheet of the company, we report that short term funds have not been used to finance long term investments and vice versa.
 - (xviii) The company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
 - (xix) During the year, since the company has not issued any debentures, paragraph 4 (xix) of the Order is not applicable.
 - (xx) During the year, since the company has not raised any money by way of public issue, paragraph 4 (xx) of the Order is not applicable.
 - (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit for the year ended March 31, 2010.

For J.K. JAIN & ASSOCIATES
 CHARTERED ACCOUNTANTS

Place: Chandigarh
 Date: 06.08.2010

(J.K. JAIN)
 Partner

Membership No. 83140

BALANCE SHEET AS AT 31-03-2010

		(Amount in Rs.)	
PARTICULARS	SCHEDULE	AS AT 31-03-2010	AS AT 31-03-2009
SOURCES OF FUNDS			
SHAREHOLDER'S FUND			
Share Capital	I	74,356,740	74,356,740
Advance against Share Capital		242,000,000	240,000,000
Advance against ZCCB		25,000,000	-
Reserves and Surplus	II	2,456,736,793	2,101,223,675
		2,798,093,533	2,415,580,415
LOAN FUNDS			
Secured Loans	III	4,209,301,511	3,098,780,641
Unsecured Loans	IV	980,200,538	759,009,055
		5,189,502,049	3,857,789,696
DEFERRED TAX LIABILITY		226,593,165	209,216,165
TOTAL		8,214,188,747	6,482,586,276
APPLICATION OF FUNDS			
FIXED ASSETS		V	
Gross Block		2,512,278,238	1,749,616,968
Less: Depreciation		399,651,311	278,153,343
Net Block		2,112,626,927	1,471,463,625
Add: Capital Work in Progress		915,704,957	1,054,207,266
		3,028,331,884	2,525,670,891
INVESTMENTS		VI	
		340,999,785	303,499,785

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

S.R MEHTA
Chairman

Dr G.Munjal
Managing Director & CEO

N.R. MUNJAL
Vice Chairman

V.R. MEHTA
Jt.Managing Director

J.K. Jain
Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

BALANCE SHEET AS AT 31-03-2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	AS AT	AS AT
		31-03-2010	31-03-2009
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	VII	3,689,727,301	2,809,526,403
Sundry Debtors	VIII	1,947,703,225	1,629,496,494
Cash & Bank Balances	IX	524,018,502	229,600,701
Loans & Advances	X	569,398,936	377,597,557
		6,730,847,964	5,046,221,155
Less : Current Liabilities & Provisions			
Current Liabilities	XI	1,964,124,072	1,591,834,235
Provisions		82,526,833	63,925,431
Net Current Assets		4,684,197,059	3,390,461,489
MISCELLANEOUS EXPENDITURE			
(to the extent not w/off or adjusted)			
(Capital issue/Prem. exp/Seed Mkt. exp./			
Market Survey)	XII	160,660,019	262,954,111
TOTAL		8,214,188,747	6,482,586,276
SIGNIFICANT ACCOUNTING POLICIES	XXI		
NOTES ON ACCOUNTS	XXII		

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

S.R MEHTA
Chairman

Dr G.Munjal
Managing Director & CEO

N.R. MUNJAL
Vice Chairman

V.R. MEHTA
Jt.Managing Director

J.K. Jain
Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31-03-2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	Year Ended 31-03-2010 (Rs.)	Year Ended 31-03-2009 (Rs.)
INCOME			
Sale & Other Income	XIII	6,894,334,323	5,935,911,885
TOTAL (A)		6,894,334,323	5,935,911,885
EXPENDITURE			
Cost of Material Consumed	XIV	5,197,155,699	4,368,626,248
Manufacturing Expenses	XV	171,601,054	165,142,281
Administrative Expenses	XVI	212,159,637	191,035,708
Selling & Distribution Expenses	XVII	298,439,639	260,121,015
Financial Charges	XVIII	429,920,388	368,112,887
Depreciation/Amortisation	V	121,497,968	94,748,103
Research & Development Exp.	XIX	7,314,373	7,832,667
Loss on Sale of Assets		-	146,113
Misc. Expenditure W/off.	XX	73,026,476	75,333,320
TOTAL (B)		6,511,115,234	5,531,098,342
Profit Before Tax (A-B)		383,219,089	404,813,543
Provision for Tax		65,128,100	45,865,000
Mat Credit Entitelment		(65,128,100)	(41,251,408)
Provision for Defferred Tax		17,377,000	18,790,000
Fringe Benefit Tax		-	5,222,750
Add Income Tax for Previous Year Adjusted		1,308,032	1,195,006
Net Profit after Tax		367,150,121	377,382,207

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

S.R MEHTA
Chairman

Dr G.Munjal
Managing Director & CEO

N.R. MUNJAL
Vice Chairman

V.R. MEHTA
Jt.Managing Director

J.K. Jain
Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDING 31-03-2010

(Amount in Rs.)

PARTICULARS	SCHEDULE	Year Ended 31-03-2010 (Rs.)	Year Ended 31-03-2009 (Rs.)
Profit b/f from previous year		1,048,572,941	838,589,467
Proposed Dividend		14,871,348	14,871,348
Tax on Dividend		2,527,385	2,527,385
Profit Trfd. to General Reserve		150,000,000	150,000,000
Profit c/f to Balance Sheet		1,248,324,329	1,048,572,941
Basic Earning per Share		9.88	10.19
Diluted Earning per Share		9.70	10.19
Nominal Value per Share		2.00	2.00

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

S.R MEHTA
Chairman

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Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
SHARE CAPITAL	'I'		
AUTHORISED			
7,50,00,000 (P/Y- 7,50,00,000) Equity Shares of Rs. 2/- Each		150,000,000	150,000,000
ISSUED, SUBSCRIBED & PAID UP			
3,71,78,370 Equity Shares (P/Y 3,71,78,370) of Rs.2/- Each Fully Paid up in Cash		74,356,740	74,356,740
		74,356,740	74,356,740
RESERVES & SURPLUS	'II'		
General Reserve			
Opening Balance : 743069397			
Addition During the Year : 153331730		896,401,127	743,069,397
Capital Reserve		6,933,481	4,503,481
Subsidy		67,856	67,856
Securities Premium		305,010,000	305,010,000
Surplus in Profit & Loss Account		1,248,324,329	1,048,572,941
		2,456,736,793	2,101,223,675
SECURED LOANS	'III'		
-Term Loans from Banks & Financial Institutions agst Equitable Mortgage of Immovable Properties Hypothecation of Plant & Machinery, Vehicles, second charge on Equipments, Utilities, Other Fixed Assets , Current Assets and personal guarantee of Directors.		1,791,823,293	1,203,581,377
- Bank borrowings for working capital from Banks secured by way of Hypothecation of Stocks, Debtors, Bills Receivables, fixed deposits and all other current assets and Equitable mortgage of immovable properties including Land, Building, Plant & Machinery with other Fixed Assets in the name of the Company Situated at Plot No. 123, Ind. Area, Panchkula, Plot No. 23, Sector 2, Parwanoo, Plot No. 17-B, Sector 2, Parwanoo & Land & Building situated at Village Pabhat, Distt. Ropar, Vill. Malku Majra, Teh Nalagarh Distt. Solan, Ind. Growth Centre, Phase-I, Samba, Jammu and Personal Guarantee of all Directors		2,417,478,218	1,895,199,264
		4,209,301,511	3,098,780,641

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
UNSECURED LOANS	'IV'		
Fixed deposits from Public		620,884,293	176,908,270
From Banks/Institutions		-	318,700,156
From Others		359,316,245	263,400,629
		980,200,538	759,009,055

SCHEDULE - 'V'

(A) FIXED ASSETS AS ON 31-03-2010

Amount in Rupees

Particulars	GROSS BLOCK				DEPRICIATION/ AMORTISATION				NET BLOCK	
	Balance as on 01/04/2009	Additions/ Trsf During the Year	Sale/ Transfer/ Written off	As on 31.3.2010	As on 31.3.2009	During The Year	On Assets Sold	Total Depreciation Upto 31/03/2010	As on 31.3.2010	As on 31.3.2009
LAND	47709644	16121628	0	63831272	43044	21522	0	64566	63766706	47666600
BUILDING	444946083	221551266	10567146	655930203	38618758	16367459	0	54986217	600943986	408372547
PLANT & MACHINERY	631152207	341576681	21925457	950803431	87675801	33032580	0	120708381	830095050	543476406
LAB. EQUIPMENT	62279774	50146036	418000	112007810	12570585	3536475	0	16107060	95900750	49709189
VEHICLE	63710308	7562103	0	71272411	26166029	5542856	0	31708885	39563526	37544279
OFFICE EQUIPMENT	65382294	3898718	46125	69234887	23272178	8388124	0	31660302	37574585	42110116
FURNITURE & FIXTURE	41256839	5470243	0	46727082	6764439	2741646	0	9506085	37220997	35149133
OTHER ASSETS	102319791	42513477	760182	144073086	14192686	5360355	0	19553041	124520045	88127105
BUILDING (R&D)	7241337	0	0	7241337	2078250	241802	0	2320052	4921285	3117865
FURNITURE & FIXTURE (R&D)	2704946	0	0	2704946	1435791	170946	0	1606737	1098209	612422
EQUIPMENT (R&D)	138397192	104946	0	138502138	40932739	6574307	0	47507046	90995092	97464453
INTANGIBLE ASSETS										
PATENT & TRADE MARK	3605618	0	0	3605618	820536	410268	0	1230804	2374814	2785082
PRODUCT TECHNOLOGY **	138910935	116069047	8635965	246344017	23582507	39109628	0	62692135	183651882	115328428
Total	1749616968	805014145	42352875	2512278238	278153343	121497968	0	399651311	2112626927	1471463625
TOTAL AS ON 31/03/2010	1749616968	805014145	42352875	2512278238	278153343	121497968	0	399651311	2112626927	1471463625
TOTAL: P/Y (31/03/2009)	1593353257	162160372	5896661	1749616968	181194028	94748103	346426	278153343	1471463625	1412159229

(B) Capital Work in Progress

PARTICULARS	BALANCE As on 01/04/2009	ADDITIONS During the year	Capitalized During the year	BALANCE As on 31/03/2010
Capital Work In Progress	1054207267	541122707	679625017	915704957
BALANCE AS 31-03-2009 (P/Y)	974933481	228687933	149414147	1054207267

Note: Land includes leasehold land at Jammu (Rs.19.37 Lacs.) for 90 years from the date of execution of lease deed. The leasehold land is being written off over the period of lease proportionately.

** Other than Internally Generated

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
INVESTMENTS (AT COST)	'VI'		
(QUOTED)			
6499720 (P/Y- 6499720) Equity Shares in M/s Ind Swift Laboratories Ltd.		250,552,555	250,552,555
2207(P/Y-2207) Equity Shares of Punjab National Bank		860,730	860,730
(UNQUOTED)			
2000000 (P/Y-2000000) Equity Shares of Ind Swift Land Ltd		20,000,000	20,000,000
Zero Coupen Convertible Bonds of Ind Swift Lab. Ltd.		37,752,000	252,000
300000 {P/Y-300000} Equity Shares of EssixBiosciences Ltd.		30,000,000	30,000,000
Investment in Principal EMERGING BLUECHIP FUND		500,000	500,000
66000(P/Y-66000) Equity Shares of Mansa Print @Rs. 10/-Per Share		660,000	660,000
Share Application Money of Mansa Print & Publishers Ltd.		674,500	674,500
		340,999,785	303,499,785
INVENTORIES	'VII'		
(As taken, valued & certified by the Management)			
Raw Material		914,111,716	831,332,768
Work- in- Progress		287,758,302	293,911,536
Finished Goods		2,453,079,777	1,630,868,157
Consumables		13,016,642	11,846,703
Material in Transit		20,053,634	40,348,499
Printing & Stationery in Hand		1,707,230	1,218,740
		3,689,727,301	2,809,526,403
SUNDRY DEBTORS	'VIII'		
(Unsecured but considered good by the management)			
Debtors Outstanding for a Period Exceeding Six Months. Considered good		66,323,731	58,785,413
Considered doubtful		220,816	552,875
Other Debts		1,881,379,494	1,570,711,081
		1,947,924,041	1,630,049,369
Less: Provision for Doubtful Debts		220,816	552,875
		1,947,703,225	1,629,496,494
CASH & BANK BALANCES	'IX'		
Cash/Imprest/Stamps in Hand		43,945,802	57,110,560
Balance with Scheduled Banks		300,246,248	90,501,598
Fixed Deposits with Scheduled Banks		179,826,452	81,988,543
		524,018,502	229,600,701

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
LOANS & ADVANCES	'X'		
(Unsecured but considered good by the management)			
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED			
Due from Others		386,609,449	264,624,358
Advance Income Tax		20,983,584	23,796,845
Prepaid Expenses		2,615,875	1,722,478
Mat Credit Entitlement		143,108,977	74,675,317
Excise Balances		16,081,051	12,778,559
		569,398,936	377,597,557
CURRENT LIABILITIES & PROVISIONS	'XI'		
(A) CURRENT LIABILITIES			
Sundry Creditors		1,737,924,312	1,478,985,007
Other Liabilities		164,063,902	51,197,290
Expenses Payable		44,212,086	42,089,212
Statutory Liabilities		17,923,772	19,562,726
(B) PROVISIONS			
Proposed Dividend		14,871,348	14,871,348
Fringe Benefit Tax		-	661,698
Tax on Dividend		2,527,385	2,527,385
Income Tax		65,128,100	45,865,000
		2,046,650,905	1,655,759,666
MISCELLANEOUS EXPENDITURE	'XII'		
(To the extent not written off/adjusted)			
Seed Marketing Expenses		138,196,756	156,208,084
Public/Capital Issue Expenses		454,800	568,500
Preliminary Expenses		75,000	100,000
Product Development Expenses		18,366,002	101,186,500
Software Development Expenses		3,567,461	4,891,027
		160,660,019	262,954,111
SALES & OTHER INCOME	'XIII'		
Sale of Finished Products		6,711,957,040	5,805,064,034
Contract research		102,507,058	85,000,000
Previous Year Income		-	999,118
Interest on FDR		12,304,549	6,304,361
Other Income		67,565,676	38,544,372
		6,894,334,323	5,935,911,885

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
COST OF MATERIAL CONSUMED/SOLD	'XIV'		
Opening Stock		843,179,471	651,574,253
Purchase		6,097,162,972	4,964,982,033
		6,940,342,443	5,616,556,286
Less :Closing Stock		927,128,358	843,179,471
TOTAL (A)		6,013,214,085	4,773,376,815
INCREASE/(DECREASE) IN INVENTORY			
OPENING STOCK			
Work-in-Progress		293,911,536	295,038,476
Finished Goods		1,630,868,157	1,224,990,650
		1,924,779,693	1,520,029,126
CLOSING STOCK			
Work-in-Progress		287,758,302	293,911,536
Finished Goods		2,453,079,777	1,630,868,157
		2,740,838,079	1,924,779,693
TOTAL (B)		816,058,386	404,750,567
TOTAL (A-B)		5,197,155,699	4,368,626,248
MANUFACTURING EXPENSES	'XV'		
Wages & Benefits		85,256,886	76,452,385
Power, Fuel & Water Charges		40,392,078	41,754,585
Other Manufacturing Expenses		45,952,090	46,935,311
		171,601,054	165,142,281
ADMINISTRATIVE EXPENSES	'XVI'		
Director's Remuneration		29,160,000	22,875,000
Salary & Benefits		58,846,649	62,763,127
Travelling & Conveyance		30,224,930	26,141,663
Auditor's Remuneration		974,648	893,455
Rent, Rates & Taxes		8,870,319	7,828,629
Telephone & Postage		10,486,333	9,198,640
Corporate & Other Administrative Expenses		73,596,758	61,335,194
		212,159,637	191,035,708
SELLING & DISTRIBUTION EXPENSES	'XVII'		
Excise Duty		8,168,665	19,518,305
Salary & Benefits		74,742,979	53,512,615
Commission to C & F Agents		26,112,966	35,182,053
Discount Allowed		2,630,045	2,630,141
Travelling Expenses		69,620,020	65,460,435
Bad Debts Written off		-	552,875
Other Selling Expenses		117,164,964	83,264,591
		298,439,639	260,121,015

Schedules Forming Part of Accounts

Amount in Rupees

For the year ended 31st March	SCHEDULE	As at 31-03-2010	As at 31-03-2009
INTEREST & FINANCIAL CHARGES	'XVIII'		
Interest on Term Loans		150,178,691	103,314,833
Interest on Working Capital Loans		174,296,766	161,481,824
Bank Charges/Processing/Exchange Rate		39,341,144	51,928,111
Interest Others		66,103,787	51,388,119
		429,920,388	368,112,887
RESEARCH & DEVELOPMENT EXP.	'XIX'		
Salary, Wages & Other Allowances		3,512,261	4,756,126
Administration Expenses		896,236	1,044,266
Consumable & Chemicals		2,803,088	1,874,896
Repair & Maint.- Machinery		102,788	25,406
Technical Fees & Study		-	131,973
		7,314,373	7,832,667
MISC. EXPENDITURE WRITTEN OFF	'XX'		
Seed Marketing Expenditure		54,997,752	56,532,876
Product Development Expenses		16,297,352	17,567,016
Public Issue Expenses		113,700	113,700
Preliminary Expenses		25,000	25,000
Software Development Expenses		1,592,672	1,094,728
		73,026,476	75,333,320

SCHEDULE-'XXI'**A. SIGNIFICANT ACCOUNTING POLICIES****1. Accounting Convention:**

The Financial statements are prepared in accordance with applicable Accounting Standards in India. A summary of important Accounting Policies, which have been applied consistently, is set out below. Accounting Policies comprises Accounting Standards specified by the Central Government u/s 211 (3C) of the Companies Act 1956, other pronouncements of The Institute of Chartered Accountant of India and Guidelines issued by SEBI. The Financial Statement have also been prepared in accordance with relevant presentational requirements of the Companies Act 1956. The Financial Statements are rounded of to the nearest Rupees.

2. Basis of Accounting:

The accounts are prepared under the historical cost convention and on the basis of going concern. All Expenses and incomes to the extent ascertained as payable and receivable respectively are accounted for on mercantile basis unless otherwise stated.

3. Use of Estimates

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

Schedules Forming Part of Accounts

4. Fixed Assets and Depreciation

- (a) All fixed assets are stated at cost less accumulated depreciation. Cost of acquisition or construction is inclusive of freight, duties, fees and incidental expenses to bring the assets to its present condition and location and interest on loans attributable to the acquisition of assets up to the date of commissioning of assets.
- (b) The company is following the straight line method of depreciation at the rates as specified in schedule XIV of the Companies Act, 1956.
Depreciation is calculated on a pro-rata basis from the date of additions, except in the case of assets costing up to Rs.5000/- each, where each such asset is fully depreciated in the year of purchase.
On assets sold, discarded etc, during the year depreciation is provided up to the date of sale/discard.
- (c) Premium on Lease hold land is amortised over the period of Lease.
- (d) Capital work in Progress include advance paid towards the acquisition of Fixed Assets outstanding at each Balance Sheet date and the cost of Fixed Assets not ready for their intended use before such date.

5. Inventories are valued as under:-

- (a) Stock of Raw Material and Packing Material :- At Cost or Net Realizable Value, whichever is lower (As per AS-2 "Valuation of Inventories"). Cost ascertained on FIFO basis, excluding recoverable rates and taxes.
- (b) Stock of work in process: - At material cost plus apportioned manufacturing overheads or net realizable value whichever is lower.
- (c) Stock of Finished Goods: - At Cost or Net Realizable Value, whichever is lower. Cost includes material cost plus apportioned manufacturing overheads and expenditure incurred in the normal course of business in bringing such inventories to its present location. It also includes excise duty paid or payable in accordance with Accounting Standard - 2 "Valuation of Inventories" issued by ICAI.
- (d) Stock in Transit: At Cost

6. Investments

Investments are classified into current and long term Investments.

- (a) Long term investments are stated at cost of acquisition. Provision for diminution is made only to recognize a decline other than temporary, if any, in the value of investments.
- (b) Current investments are carried at lower of cost and fair market value.

7. Revenue Recognition

Revenue is recognized upon the transfer of title of goods and when all significant risks and rewards of ownership have been transferred to the buyer. Transfer of the title generally coincides with the delivery of the goods. Revenue is recognized when there is reasonable certainty of its ultimate realization.

Sales are net of VAT, breakage, leakage and trade discount but include Excise Duty.

8. Foreign Exchange Transactions

- (a) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of transaction and variation, if any, is accounted for on the date of payment, if squared the same accounting year.
- (b) Monetary items denominated in foreign currencies remaining unsettled at the year end if not

Schedules Forming Part of Accounts

covered by forward exchange contracts are translated at year end rates.

- (c) Any income/expense arising from foreign currency transactions is dealt in the profit and loss account for the year except in cases where they relate to acquisition of fixed assets in which case they are adjusted in the carrying cost of such assets.
- (d) Where company enters into a forward exchange contract, the difference between the forward rate and the exchange rate at the date of the transaction is recognized as income or expense over the life of the contract except in the case of fixed assets, in which case, such difference is adjusted in the carrying amount of respective fixed assets.

9. **Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction or production of qualifying assets are capitalised as part of cost of such assets. Qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as an expense in the period in which incurred.

10. **Employee Benefits:**

a) Short term Employee Benefits:

Short term employee benefits including accumulated compensated absences as at the Balance Sheet date are recognised as an expense as per company's schemes based on expected obligation on an undiscounted basis.

b) **Defined Contribution Plans:**

Contributions paid/payable to defined contribution plans comprising of Gratuity and Provident Funds for employees covered under the respective schemes are recognised in the Profit & Loss Account each year.

11. **Proposed Dividend**

Dividends (including income tax thereon) as proposed by the Board of Directors are provided in the books of account, pending approval at the Annual General Meeting.

12. **Income Tax:**

a) Current tax: Provision is made for income tax, based on the liability as computed after taking credit for allowances and exemptions. Adjustments in books are made only after the completion of the assessment.

b) Deferred Tax: Consequent to the Accounting Standard –22 “Accounting for taxes on income” becoming mandatory the differences that result between the profit offered for income tax and the profit as per the financial statement are identified and thereafter a deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another.

The tax effect is calculated on the accumulated timing difference at the end of an accounting period based on prevailing enacted regulations.

Deferred tax assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Minimum alternative tax payable under the provisions of the Income Tax Act, 1961 is recognized as an asset in the year in which credit becomes eligible and is set off in the year in which the Company becomes liable to pay income taxes at the enacted tax rates and shall be reversed in the year in which it lapses.

13. **Provisions, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there

Schedules Forming Part of Accounts

is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

14. Intangible Assets

- (a) Intangible Assets are recognised only if they meet the recognition criteria as laid by Accounting Standard (AS) 26 on "Intangible assets".
- (b) Intangible assets are measured at cost and amortised over their useful life.
- (c) Expenditure on Research phase is recognised as an expense when it is incurred.
- (d) Expenditure on development phase is recognised as an Intangible Asset only if it meets the recognition criteria as laid by AS 26 on Intangible Assets. These assets are amortised over the useful period of life starting from the year when the asset first meets the recognition criteria.

15. Impairment of Assets

An Asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amount. During the year no impairment of Assets is recognised.

16. Accounting policies not specifically referred to are consistent with generally accepted accounting principles.

SCHEDULE - 'XXII'

NOTES ON ACCOUNTS

1. The previous year figures have been re-arranged and re-grouped wherever necessary.
2. The Company has sent letter of balance confirmation to all the parties but only a few have responded so far. So the balance in the party accounts whether in debit or in credit are subject to reconciliation.
3. Land Amounting to Rs. 4.43Lacs continues to be in the name of Mukur Pharmaceutical Co. Pvt. Ltd.
4. The Company is a manufacturing company, so the information pursuant to the provisions of paragraph 3 & 4 of part II of schedule VI to the Companies Act, 1956 is as under: -
 - a) (i) Licensed Capacity - N.A.
 - (ii) Installed Capacity - (As on 31.03.2010)
- (As certified by the Management)

<u>Particulars</u>	<u>Unit</u>	<u>2009-10</u>	<u>2008-09</u>
			(In Lacs)
Ampoules/Vials	No's	1170.40	1170.40
Tablets/Capsules	No's	30350.00	25790.00
Ointment	No's	550.00	550.00
Liquid/Dry Syp.	No's	405.00	360.00

- b) Particulars of actual production, sales & closing stock of finished goods

- **As per annexure - I**

- c) Particulars of consumption of Material- **As per annexure - II**

Schedules Forming Part of Accounts

d) Earnings in Foreign Currency

Particulars	2009-10	2008-09
		(Rs.in Lacs)
FOB Value of Export	3063.62	1103.86
Technology Transfer Fees	725.07	832.77
Other Income	165.94	Nil

e) Expenditure in Foreign Currency

Particulars	2009-10	2008-09
		(Rs.in Lacs)
Tours & Travels	23.01	19.69

f) Value of imports calculated on CIF Basis:

Particulars	2009-10	2008-09
		(Rs.in Lacs)
Raw Material	2432.97	1090.81
Packing Material	50.37	Nil
Equipment	365.50	157.72

g) Value of Imported/indigenous Raw Materials consumed

Raw Material	Current Year Value	%age	Previous Year value	%age
Imported	Rs. 2483.34 lacs.	4.78%	Rs. 1090.81 lacs	2.50%
Indigenous	Rs. 49488.22 lacs	95.22%	Rs.42595.45 lacs	97.50%

h) Remittance in foreign currency on account of Dividend **NIL** (P/Y NIL)

i) Director Remuneration Includes:

Particulars	2009-10	2008-09
Salary		
i) Chairman	8,700,000	7,500,000
ii) Managing Director & CEO	8,700,000	7,500,000
iii) Joint Managing Director	8,700,000	7,500,000
iv) Executive Director	8,700,000	7,500,000
Contribution to Provident Fund		
i) Chairman	9360	9360
ii) Managing Director & CEO	9360	9360
iii) Joint Managing Director	9360	9360
iv) Executive Director	9360	9360

* Remuneration to Directors is as per the limits Prescribed as per Company act 1956

* Other Expenses under head administrative Expenses includes Rs. 36000/- (Rs. 32000/- Previous year) as paid to Directors as Sitting Fees.

Schedules Forming Part of Accounts

j) Auditor's Remuneration:

Particulars	2009-10	2008-09
Audit Fee	Rs. 741923/-	Rs. 741923/-
Tax Audit Fee	Rs. 100000 /-	Rs. 76532/-
Income Tax Consultancy	Rs. 132725 /-	Rs. 75000/-
Total	Rs. 974648/-	Rs.893455/-

5. Fixed deposits with banks are **Rs.179826452/-** (P/Y **Rs.81988543/-**) out of which **Rs.90825353/-** (P/Y- Rs.62444895/-) are pledged as margin money with banks.
6. Expenses includes **Rs.875994/-** (P/Y Rs.3038831/-) as expenses relating to previous years.
7. Income includes **Rs.Nil** (P/Y Rs.999118/-) as income relating to previous years.
8. Depreciation on assets has been provided for the entire accounting year on straight line method at the rates prescribed by Schedule XIV of the Companies Act, 1956. Depreciation in respect of additions to assets has been charged on prorata basis with reference to the period of use of such assets.
9. Contingent liabilities outstanding as on 31.03.2010 are as under:
 - a) Foreign Letter of Credit/Inland Letter of Credit/Bank Guarantee issued by Bankers:

Particulars	2009-10	2008-09
		(Rs.in Lacs)
FLC	679.00	351.39
ILC	11762.58	9055.31
BG	96.89	68.19

- b) Corporate Guarantee on behalf of Ind Swift Laboratories Ltd of which company is the shareholder amounting to **Rs.5000/-** Lacs (Previous Year Rs.1752/- Lacs) based on outstanding balances at the year end.
 - c) In respect of Income Tax matters pending before appellate authorities/CIT (Appeals) which the Company expects to succeed, based on decisions of Tribunals/Courts. There is contingent liability amounting to Rs. 5.56 crores.
10. Company has further invested Rs. 37500000/- in M/s Ind Swift Labs Ltd for which 30,00,000 of Zero coupon optionally convertible warrants from the Promoters Group Company have been received.
11. a) The Company has raised a sum of Rs. 24.20 Crores only (Twenty Four Crores twenty lacs only) as advance against Share Capital from private corporate Bodies, for which the company is in process of issuing Preference Shares.
 - b) The Company has received a sum of Rs. 2.5 crores (Rs. Two Crores Five lacs only) from M/s Essix Biosciences Ltd. as application money (25% of the issue price) for issue of 4000000 Zero Coupon Convertible Warrants (ZCCB) issued for Rs. 25/- per warrant.
12. The Investment in M/s Mansa Print & Publishers Ltd as on 31.03.2010 is Rs.1334500/-.
13. The company has introduced new product ranges like Anich-3,Clarie Dry Syrup,Cirrholiv Dry Syrup, PM Care Gold, Expodox-CV 100, Glypar-1mg, Glypar M1ER, Glypar 2mg etc. during the year 2009-2010. The company has also substantially increased the number of head quarters in the states where it was working on a smaller scale. Expenses relating to the introduction & establish-

Schedules Forming Part of Accounts

ment of New Products Head Quarters have enduring beneficial effect beyond the year in which these are incurred. Such expenses are clubbed under the head Seed Marketing Expenses to be amortized in subsequent five equal annual installments.

14. R & D: Company is consistently undertaking Research & Development in new areas of Medicine. The R & D facility of the company is duly recognized by Deptt. of Science & Technology, Govt. of India. Company's team consisting of highly qualified scientists has proven their expertise in various areas of technology development. Expenses on Research phase are charged to Profit and Loss account and Expenses relating to development phase shall be capitalised in subsequent years in accordance with AS-26. Expenditure on R&D incurred by the Company during the Year is:

	(Rs.in Lacs)
a) Addition in Fixed Assets- Other Units	1.05
b) Product Technology Exp.– Panchkula as per schedule V	154.13
c) Product Technology Exp.- Other Units	254.97
d) Debited to Profit & Loss Account as per Schedule XIX	73.14
e) Depreciation / Amortisation-Panchkula	173.26
f) Misc. Expenses W/off - Panchkula	135.57

The Depreciation and Misc. exp. w/off related to Research & development are clubbed under respective heads in profit & loss account.

15. Total amount of term loans/installments of term loans repayable during twelve months following 31.03.2010 is **Rs 5964.71** Lacs (Previous year Rs.4738.42 Lacs) and public deposits amounting to Rs. 482.50 Lacs (P/Y Rs.789.25 Lacs).
16. Loans and Advances due from officers of the company is **Rs.3.72Lacs** (Previous Year Rs.5.51Lacs) Maximum amount outstanding during the year was **Rs.5.82 Lacs** (Previous Year Rs.7.24 Lacs).
17. In the opinion of the Board, the current assets, loans & advances shown in the Balance Sheet have a value of realization in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provision for all known and determined liabilities is adequate.
18. Some of the suppliers of materials have been identified as Small Scale Industrial Undertakings on the basis of the information available with the company. However some of these parties has an outstanding credit balance for more than 30days as on 31.03.2010
19. There were no lease obligations outstanding during the year and consequently no lease rentals were payable. There are no unexpired lease obligations as at the year end.
20. In the opinion of the management, the company is mainly engaged in the business of Pharmaceuticals. All activities of the company revolve around the main business and as such there are no separate reportable segments. The company caters mainly to the needs of the domestic market. The export turnover being less than 10% of the total turnover, there are no reportable geographical segments.
21. Due to occurrence of fire at Parwanoo Plant there was loss of stocks and assets thus the company has lodged an insurance claim of Rs. 7.11 Crores with united India Assurance Company Ltd. and the same is pending as on 31.03.2010
22. Company has taken a Defined Contribution Plan from Life Insurance Corporation of India which takes care its liability towards Gratuity entirely. As per Accounting Standard 15 on "Employee

Schedules Forming Part of Accounts

Benefits” the disclosure is given below.

- i) Employer’s Contribution to PF **Rs. 11361502/-**
 ii) Contribution to Gratuity **Rs. 3107710 /-**

23. Intangible Assets :

- a) Product Technology acquired by the company is recognized as an intangible asset and is amortised over its useful life of 5 years.
 b) Product Technology addition forming Part of Depreciation schedule consists of following:

	(Rs. in Lacs)
a) Transfer from Product Development	665.23
b) Addition during the year	409.10
Total	<u>1074.33</u>

24. Earning Per Share (EPS)

- (a) Basic EPS

S. NO	Particulars	2009-2010 (Rs. in lacs)	2008-2009 (Rs. in lacs)
i)	Profit after tax (Attributable to ordinary shareholders)	3671.50	3773.82
ii)	Weighted Average number of ordinary Shares	37178370 Nos.	37045037 Nos.
iii)	Basic EPS/Share of Rs.2/-	Rs. 9.88	Rs.10.19
iv)	Diluted EPS/Share of Rs.2/-	Rs. 9.70	Rs.10.19

25. Investments of **Rs. 3410.00** Lacs are stated at Cost and includes quoted investments of Rs. **2514.14 Lacs**. The Market value of quoted investment are as under:-

S.No.	Name of the company	Nos.of Shares	Cost price (in lac)	Market value(in lac)
1.	Ind. Swift Laboratories Ltd.	6499720	Rs.2505.53	Rs. 4354.81
2.	Punjab National Bank	2,207	Rs. 8.61	Rs. 22.37

Schedules Forming Part of Accounts

26. Related Party Disclosure

- (a) List of related parties & their relationship – **As per annexure- 'A'**
 (b) Related party transactions. – **As per annexure- 'B'**

27. During the year, the Company has undertaken a review of all fixed assets in line with the requirement of AS-28 on “Impairment of Assets” issued by the Institute of Chartered Accountants of India. Based on such review, no provision for impairment is required to be recognized for the year.

28. The figures have been rounded to the nearest rupee.

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

S.R MEHTA
Chairman

Dr G.Munjal
Managing Director & CEO

N.R. MUNJAL
Vice Chairman

V.R. MEHTA
Jt.Managing Director

J.K. Jain
Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

ANNEXURE TO THE NOTES ON ACCOUNTS

ANNEXURE -A

List of Related Parties and Relationships

S.NO. RELATIONSHIP	NAME OF PARTY
(A) ASSOCIATES	1. ESSIX BIOSCIENCES LTD. 2. IND SWIFT LABORATORIES LIMITED 3. MANSA PRINT & PUBLISHERS LTD. 4.IND SWIFT LAND LTD. 5. SWIFT FUNDAMENTAL & EDUCATION SOCIETY
(B) KEY MANAGEMENT PERSONNEL - DIRECTORS	1. MR. S.R. MEHTA 2. DR. G. MUNJAL 3. DR. V.R.MEHTA 4. MR. HIMANSHU JAIN

ANNEXURE-'B'

Related Party Transaction (2009-2010)

(Rs. in Lacs)

Name of the Related Party	Essix Bio Sciences Limited	Ind-Swift Laboratories Limited	Ind Swift Land Ltd	Mansa Print And Publishers Limited	Swift Fundamental & Education Society	Total
Nature of Transactions						
Purchase of goods/Services	22.89	2918.47	-	1057.48	-	3998.84
Sale of Goods	8212.69	3721.57	-	-	-	11934.26
Sale of Intangible Asset		300.00	-	-		300.00
Investment in Shares	-	375.00	-	-	-	375.00
Expenses	-	91.70	-	-	-	91.70
Capital Advance	-	-	1000.00			1000.00
Interest Receivable	-	-	-	-	118.89	118.89
Interest Payable	-	296.89	-	-	-	296.89
Dividend Paid	19.01	-	-	-	-	19.01
Corporate Guarantees Given	-	5000.00	-	-	-	5000.00
Debit Balance Outstanding as on 31.03.2010						
Debtors	-	238.75	-	-	-	238.75
Loan & Advances	-	-	1010.69	-	1056.84	2067.53
Investments	300.00	2880.53	200.00	13.35	-	3393.88
Credit Balance Outstanding as on 31.03.2010						
Advance Recd agst Share Capital	250.00	-	-	-	-	250
Creditors	0.76	-	-	494.00	-	494.76
Loan & Advances	-	195.38	-	-	-	195.38

Detail of remuneration to Directors (Key Management Personnel) are as given in note no. 4(i)

ANNEXURE TO THE NOTES ON ACCOUNTS

ANNEXURE -1

PRODUCTION, SALES AND CLOSING STOCK OF FINISHED GOODS

(Value in Lacs)

S. Group No.	Unit	Year	Prod./Purchase Qty.	Opening Stock		Closing Stock		Sale	
				Qty.	Value	Qty.	Value	Qty.	Value
1 Injections, Eye/Ear Drops	Liters	2009-2010	44489.35	666426.51	1665.07	653237.03	2840.20	57678.83	2232.36
		2008-2009	114725.81	835327.83	2008.10	666426.51	1665.07	283627.13	2151.35
2 Tablets	No./Lacs	2009-2010	14638.72	9718.42	5464.37	16545.99	8778.41	7811.15	9808.52
		2008-2009	15715.99	7984.78	3085.16	9718.42	5464.37	13982.35	10646.88
3 Capsules	No./Lacs	2009-2010	4528.40	2007.04	2134.96	5021.79	4109.43	1513.65	4024.06
		2008-2009	2817.72	1989.15	1505.23	2007.04	2134.96	2799.83	3530.47
4 Liquids/Dry Syrup	Liters	2009-2010	2151827.19	1798153.38	2526.61	2790365.23	3343.63	1159615.34	3285.71
		2008-2009	2442453.90	1102692.76	1327.79	1798153.38	2526.61	1746993.28	3951.93
5 Ointments	Kgs.	2009-2010	372021.76	385247.18	4473.87	616519.00	5368.82	140749.94	2012.73
		2008-2009	792374.15	313178.42	4241.82	385247.18	4473.87	720305.39	16438.99
6 Medical Equipments (Diagnosis)	No	2009-2010	14405.00	17946.00	43.80	23440.00	90.31	8911.00	64.19
		2008-2009	40623.00	9358.00	81.81	17946.00	43.80	32035.00	230.78
7 Others		2009-2010	0.00	0.00	0.00		0.00		45692.00
		2008-2009	0.00	0.00	0.00		0.00		21100.24
Total		2009-2010			16308.68		24530.80		67119.57
		2008-2009			12249.91		16308.68		58050.64

ANNEXURE -II

PARTICULARS OF CONSUMPTION OF RAW MATERIAL

S.No.	PARTICULARS	2009-10	VALUE (RS.IN LACS)	2008-09	VALUE (RS.IN LACS)
		QTY. (IN KGS.)		QTY (IN KGS.)	
1	ANTIBIOTICS	286217.64	8427.68	292864.26	8029.33
2	STEROIDS	37379.04	1174.49	45968.37	737.75
3	HORMONES	3203.42	922.40	2154.18	1091.84
4	CARDIO VASCULAR	5593.36	508.02	5139.52	474.75
5	OTHERS		7874.47		6289.20
6	FORMULATION		29759.65		24181.11
7	PACKING MATERIAL		3304.85		2882.28
	TOTAL		51971.56		43686.26

CASH FLOW STATEMENT

For the year ended on 31st March	2010	(Rs. in Lacs) 2009
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax	3832.19	4048.14
Adjustment for Non Cash & Non Operating Items		
i) Misc. Expenditure Written off	730.26	753.33
ii) Depreciation/Amortisation	1214.97	947.48
iii) Interest Income	(123.05)	(63.04)
iv) Bad Debts Written off	0.00	5.53
v) Loss on Sale of Assets	0.00	1.46
vi) Previous year income	0.00	(9.99)
vii) Dividend Income	(67.69)	(63.25)
viii) Financing Charges	4100.45	3240.09
ix) Profit on Sale of Assets	(5.05)	0.00
Operating Profit before Working Capital Changes	9682.08	8859.75
Adjustment for Current Items		
i) Increase in current Liabilities	3722.89	3730.68
ii) Increase in current Loan & Advances	(1261.81)	(698.68)
iii) Increase in Debtors	(3187.60)	(593.95)
iv) Increase in Inventory	(8802.01)	(5915.42)
Cash Flow from Operating Activities before Taxes	153.55	5382.38
Taxes Paid		
i) Income Tax Paid	(209.84)	(237.97)
ii) Fringe Benefit Tax	0.00	(52.23)
Net cash Flow from Operating Activities (A)	(56.29)	5092.18
B. Cash Flow from Investing Activities		
i) Dividend Received	67.69	63.25
ii) Subsidy Received	(55.03)	0.00
ii) Interest Received	123.05	63.04
iii) Net Increase in Investments	(375.00)	(204.62)
iv) Net Purchase of Fixed Assets (Including Capital WIP)	(5576.36)	(2369.92)
v) Increase in Misc. Expenditure	(372.56)	(857.72)
vi) Exchange Fluctuation	(51.45)	0.00
vii) Sale of D.E.PB Licence/SFIS	(72.55)	(160.87)
viii) Sale of Fixed Assets	0.00	11.29
Net Cash used in Investing activities (B)	(6312.21)	(3455.55)

For the year ended on 31st March	2010	2009
(Rs. in Lacs)		
C. Cash Flow From Financing Activities		
i) Financing Charges	(4100.45)	(3240.09)
ii) Dividend Paid	(173.99)	(173.99)
iii) Increase in Unsecured Loans	2211.91	(709.59)
iv) Increase in Secured Loans	11105.21	97.03
v) Reduction in Advance against Share Capital	0.00	(16.20)
vi) Proceed from Advance against Share Capital	270.00	2400.00
Net Cash Flow from Financing Activities (C)	9312.68	(1642.84)
Net increase in Cash or Cash Equivalents(A+B+C)	2944.18	(6.21)
Add : Opening Balance of Cash & Equivalents	2296.01	2302.22
Closing Balance of Cash & Cash Equivalents	5240.19	2296.01

AUDITOR'S REPORT

As per our separate report of even date

For and on behalf of the Board

For J.K. JAIN & ASSOCIATES
Chartered Accountants

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Managing Director & CEO

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Vice Chairman

V.R. MEHTA
Jt.Managing Director

J.K. Jain
Partner

RISHAV MEHTA
Director

HIMANSHU JAIN
Director

Place: Chandigarh
Date : 06-08-2010

A.K. TARAFDER
Vice President (Finance)

RAMAN K. SOOD
Company Secretary

BALANCE SHEET ABSTRACT

and Companies General Business Profile

I. Registration Details

Registration No. 6 8 9 7 - 8 6 State Code 5 3
 Balance Sheet Date 3 1 0 3 2 0 1 0

II. Capital Raised during the year (Amount in Rs. 'Thousands)

Public Issue N I L Right Issue N I L
 Bonus Issue N I L Private Placement N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. 'Thousands)

Total Liabilities 1 0 2 6 0 8 4 0 Total Assets 1 0 2 6 0 8 4 0

Sources of Funds

Paid-up Capital 0 3 4 1 3 5 7 ** Reserve & Surplus 2 6 8 3 3 3 0 *
 ** Includes Advance against Share Capital *Includes Deferred Tax Liabilities
 Secured Loans 4 2 0 9 3 0 1 Unsecured Loans 0 9 8 0 2 0 1

Application of Funds

Net Fixed Assets 3 0 2 8 3 3 2 Investments 0 3 4 1 0 0 0
 Net Current Assets 4 6 8 4 1 9 7 Misc. Expenditure 0 1 6 0 6 6 0
 Accumulated Losses 0 0 0 0 0 0 0

IV. Performance of Company (Amount in Rs. 'Thousands)

Turnover & other income 6 8 9 4 3 3 4 Total Expenditure 6 5 1 1 1 1 5
 Profit/loss before Tax 0 3 8 3 2 1 9 Profit/loss after Tax 0 3 6 7 1 5 0
 Earning per share in (Rs.) 0 0 0 9 - 8 8 Dividend Rate (%) 2 0

V. Generic Names of Principal Products of Company

Item Code No. N A
 Product Description P H A R M A C E U T I C A L S F O R M U L A T I O N S

AUDITOR'S REPORT

As per our separate report of even date

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 Managing Director & CEO

J.K. Jain
 Partner

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 Vice Chairman

V.R. MEHTA
 Jt. Managing Director

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 Director

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